





## Benford's Law / A Formula for Predicting Probability

## Beating the Odds (and the Frauds) With the Number 1

By Malcolm W. Browne  
New York Times Service

**N**EW YORK — Theodore Hill asks his mathematics students at the Georgia Institute of Technology to go home and either flip a coin 200 times and record the results or merely pretend to flip a coin and fake 200 results. The following day he runs his eye over the homework data, and to the students' amazement, he easily fingers nearly all those who faked their tosses.

"The truth is," he said in an interview, "most people don't know the real odds of such an exercise, so they can't fake data convincingly."

There is more to this than a classroom trick.

Mr. Hill is one of a growing number of statisticians, accountants and mathematicians who are convinced that an astonishing mathematical theorem known as Benford's Law is a powerful and relatively simple tool for pointing out suspicious activity, embezzlers, tax evaders, sloppy accountants and even computer bugs.

The income tax agencies of several nations and several states, including California, are using detection software based on Benford's Law, as are a score of large companies and accounting businesses.

Benford's Law is named for the late Frank Benford, a physicist at the General Electric Co. In 1938 he noticed that pages of logarithms corresponding to numbers starting with the numeral 1 were much dirtier and more worn than other pages.

(A logarithm is an exponent. Any number can be expressed as the fractional exponent — the logarithm — of some base number, such as 10. Published tables permit users to look up logarithms corresponding to numbers or numbers corresponding to logarithms.)

Logarithm tables (and the slide rules derived from them) are not much used for routine calculating any more; electronic calculators and computers are simpler and faster. But logarithms remain important in many scientific and technical applications, and they were a key element in Mr. Benford's discovery.

Mr. Benford concluded that it was unlikely that physicists and engineers had some special preference for logarithms starting with 1.

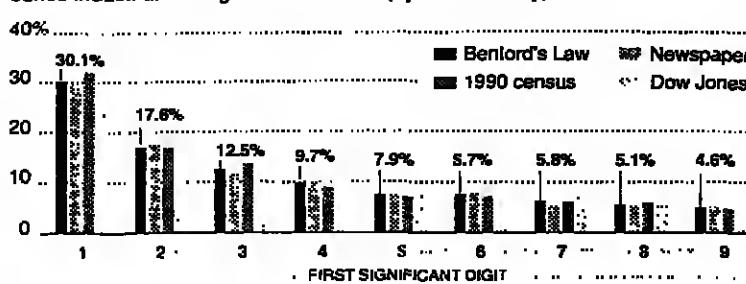
He therefore embarked on a mathematical analysis of 20,229 sets of numbers, including such widely disparate categories as the areas of rivers,

## A Singular Phenomenon

Frank Benford's 1938 theorem dealing with the prevalence of the number 1 as an initial digit is being used to spot fraud.

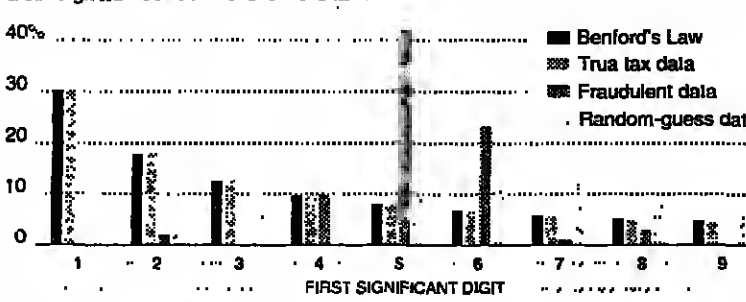
## AN UNEXPECTED PATTERN

Very different sets of data follow Benford's Law within 2 percent. Including numbers appearing on front pages of newspapers (collected by Mr. Benford), 3,141 county populations in the 1990 census (by Mr. Mark Nigrini) and the Dow Jones Industrial Average from 1990-93 (by Eduardo Ley).



## DETECTING FRAUD

The first digits of true tax data taken from the lines of 169,662 tax forms follow Benford's Law closely. But fraudulent data taken from a 1995 Brooklyn study of cash disbursement and payroll in business do not follow Benford's Law. Likewise, data taken from 743 freshmen's responses to a request to write down randomly a six-digit number do not follow the law.



Source: American Scientist

The New York Times

baseball statistics, numbers in magazine articles and the street addresses of the first 342 people listed in the book "American Men of Science."

All these seemingly unrelated sets of numbers followed the same first-digit probability pattern as the pages of logarithm tables suggested. In all cases, the number 1 turned up as the first digit about 30 percent of the time, more often than any other.

Mr. Benford derived a formula to explain this. If absolute certainty is defined as 1 and absolute impossibility as 0, then the probability of any number "d" from 1 through 9 being the first digit is log to the base 10 of

(1+1/d). This formula predicts the frequencies of numbers found in many categories of statistics.

Probability predictions are often surprising. In the case of the coin-tossing experiment, Mr. Hill wrote in the current issue of the magazine American Scientist, a "quite involved calculation" revealed a surprising probability. It showed, he said, that the overwhelming odds are that at some point in a series of 200 tosses, either heads or tails will come up six or more times in a row.

Most fakers do not know this and avoid guessing long runs of heads or tails, which they mistakenly believe to be improbable. At just a glance, Mr.

Hill can see whether a student's 200 coin-toss results contain a run of six heads or tails; if they do not, the student is branded a fake.

Even more astonishing are the effects of Benford's Law on number sequences. Intuitively, most people assume that in a string of numbers sampled randomly from some body of data, the first nonzero digit could be any number from 1 through 9. All nine numbers would be regarded as equally probable.

But, as Mr. Benford discovered, in a huge assortment of number sequences — random samples from a day's stock quotations, a tournament's tennis scores, the numbers on the front page of The New York Times, the populations of towns, electricity bills in the Solomon Islands, the molecular weights of compounds, the half-lives of radioactive atoms and much more — this is not so.

Given a string of at least four numbers sampled from one or more of these sets of data, the chance that the first digit will be 1 is not one in nine, as many people would imagine; according to Benford's Law, it is 30.1 percent, or nearly one in three. The chance that the first number in the string will be 2 is only 17.6 percent, and the probabilities that successive numbers will be the first digit decline smoothly up to 9, which has only a 4.6 percent chance.

A strange feature of these probabilities is that they are "scale invariant" and "base invariant." For example, it does not matter whether the numbers are based on the dollar prices of stocks or their prices in yen or marks, nor does it matter if the numbers are in terms of stocks per dollar; provided there are enough numbers in the sample, the first digit of the sequence is more likely to be 1 than any other.

The larger and more varied the sampling of numbers from different data sets, mathematicians have found, the more closely the distribution of numbers approaches what Benford's Law predicts.

One of the experts putting this discovery to practical use is Mark Nigrini, an accounting consultant affiliated with the University of Kansas who this month is joining the faculty of Southern Methodist University in Dallas.

Mr. Nigrini gained recognition a few years ago by applying a system he devised based on Benford's Law to some fraud cases in Brooklyn, New York. The idea underlying his system is that if the numbers in a set of data

like a tax return more or less match the frequencies and ratios predicted by Benford's Law, the data are probably honest.

But if a graph of such numbers is markedly different from the one predicted by Benford's Law, he said, "I think I'd call someone in for a detailed audit."

Some of the tests based on Benford's Law are so complex that they require a computer to carry out. Others are surprisingly simple; just finding too few ones and too many sixes in a sequence of data to be consistent with Benford's Law is sometimes enough to arouse suspicion of fraud.

Robert Burton, the chief financial investigator for the Brooklyn district attorney, recalled in an interview that he had read an article by Mr. Nigrini that fascinated him.

"He had done his Ph.D. dissertation on the potential use of Benford's Law to detect tax evasion, and I got in touch with him in what turned out to be a mutually beneficial relationship," Mr. Burton said. "Our office had handled seven cases of admitted fraud, and we used them as a test of Nigrini's computer program. It correctly spotted all seven cases as involving probable fraud."

**B**UT the fit of number sets with Benford's Law is not infallible. "You can't use it to improve your chances in a lottery," Mr. Nigrini said. "In a lottery someone simply pulls a series of balls out of a jar, or something like that. The balls are not really numbers; they are labeled with numbers, but they could just as easily be labeled with the names of animals. The numbers they represent are uniformly distributed, every number has an equal chance, and Benford's Law does not apply to uniform distributions."

Another problem Mr. Nigrini acknowledges is that some of his tests may turn up too many false positives. Various anomalies having nothing to do with fraud can appear for innocent reasons.

For example, the double digit 24 often turns up in analyses of corporate accounting, biasing the data, causing it to diverge from Benford's Law patterns and sometimes arousing suspicion wrongly, Mr. Nigrini said.

"But the cause is not real fraud, just a little shaving," he said. "People who travel on business often have to submit receipts for any meal costing \$25 or more, so they put in lots of claims for \$24.90, just under the limit. That's why we see so many 24s."

Flood Toll  
Up to 1,288  
As Levees  
Fail in China

Compiled by Our Staff From Dispatches

**BEIJING** — Waterlogged levees along China's flood-swollen Yangtze River have started to collapse, wreaking death and destruction on a massive scale, state media said Tuesday.

Torrential rains in southwest Sichuan Province also have triggered flooding that killed at least 20 people, pushing the known death toll from floods caused by unusually heavy — and early — summer rains this year to 1,288.

With a tropical storm and another flood tide expected, the threat mounted of further breaches along the already weakened levees that protect millions of people and rich farmland from the Yangtze, the world's third-longest river.

Main Yangtze dikes remained intact but secondary levees were breached in at least two counties and at a city in central Hubei Province, "causing huge loss of life and property," the official China Youth Daily reported.

The newspaper gave no casualty figures. But a human rights group said 150 soldiers and hundreds of villagers were swept away when a levee suddenly collapsed Saturday in Hubei's Jiayu County, about 70 kilometers (43 miles) north from the industrial center of Wuhan.

As of Monday, the bodies of nine soldiers had been recovered, the Information Center of Human Rights and Democratic Movement in China said. The Hong Kong-based group said more than 1,000 were thought missing.

The official newspaper Yangcheng Evening News said about 400 soldiers were swept away when the levee that had been protecting 56,000 people in two towns collapsed. Soldiers and police pulled nearly 20,000 people from the water, the newspaper said.

In a bid to lower the Yangtze's waters, Hubei authorities cut 11 small dikes to divert flood waters, the official Xinhua news agency said. The strategy caused 400 million yuan (\$48 million) in flood damage but helped protect Wuhan city, it said.

More than 100,000 people lost their homes when a levee burst in Anxiang, in neighboring Hunan Province, on July 24, Xinhua reported.

In all, the Yangtze was threatening to burst its embankments in 3,200 places, and 1,800 of these possible breaches were "major," Xinhua said.

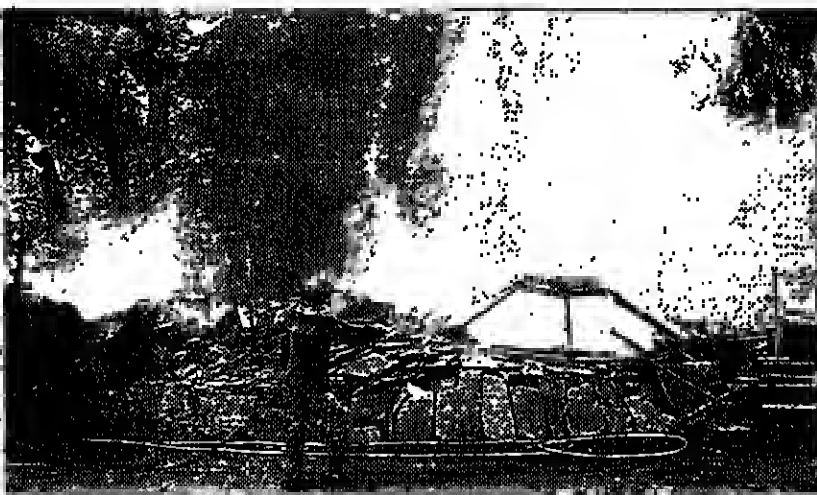
Millions of soldiers and civilians have been manning the dikes, watching for signs of collapse and plugging leaks, as waters on the Yangtze reached levels unseen since floods in 1954 killed more than 30,000 people.

Typhoon Otto, which was raging in the Taiwan Strait on Tuesday night, was expected to hit the coast of the eastern province of Fujian on Wednesday, bringing with it torrential rains, the state meteorological office said.

"The storm should move northward to Jiangxi and Anhui provinces, putting heavy pressure on flood-affected areas along the middle and lower reaches of the Yangtze," experts were quoted as saying. (AP, AFP)

**■ Flooding in Central Japan**

Fierce floods fed by the heaviest rain in a century swept across central Japan on Tuesday, killing one woman, bursting dikes, triggering landslides and forcing thousands to evacuate, Agence France-Presse reported from Tokyo.



A man using a garden hose Tuesday to protect his home near Athens.

## Forest Fire Hits Greek Village

**ATHENS** (Reuters) — A huge forest fire engulfed a village near Athens on Tuesday, destroying at least 20 homes, and threatening several other holiday communities, police said.

No injuries have been reported in the blaze, which a local mayor has blamed on arsonists. Flames were racing through the village of Anthousa, about 25 kilometers (15 miles) northeast of Athens at the foot of Mount Pendeli and were lapping at the outskirts of the coastal resort of Lagonissi.

The fire was also burning a summer camp for disabled children and threatening a state hospital. They had been evacuated, along with a monastery. More than 600 firemen have been battling the blaze, which has razed thousands of acres of pine woods.

Greece has been plagued by scores of forest fires this summer including several around the capital. Three firemen and a volunteer were burned to death last month.

## St. Peter's Square Gets a Facelift

**VATICAN CITY** (Reuters) — Workers began cleaning the elegant colonnades around St. Peter's Square on Tuesday to prepare for Holy Year 2000, the celebration Pope John Paul has ordained to herald the start of the third millennium.

Workers from Kaercher, a German company that has cleaned the statue of Christ the Redeemer in Rio de Janeiro and the Statue of Liberty in New York, will finish cleaning the 284 columns by the end of October.

Finnair has agreed to expand its cooperation with Belgian carrier Sabena by sharing flight numbers and linking frequent-flyer plans. (Reuters)

Iran Air plans to hire Japanese flight attendants to better serve Japanese tourists. Iran has also eased Islamic regulations in Kish, a tourist island in the Gulf. (AFP)

## TRAVEL UPDATE

## WEATHER

Europe				Forecast for Thursday through Saturday, as provided by AccuWeather.				Asia			
City	Today	High	Low	City	Today	High	Low	City	Today	High	Low
Amsterdam	20/17	20	17	London	20/17	20	17	Beijing	20/17	20	17
Berlin	20/17	20	17	Madrid	20/17	20	17	Bombay	20/17	20	17
Bombay	20/17	20	17	Paris	20/17	20	17	Calcutta	20/17	20	17
Buenos Aires	20/17	20	17	Rome	20/17	20	17	Chengdu	20/17	20	17
Calcutta	20/17	20	17	Stockholm	20/17	20	17	Chongqing	20/17	20	17
Chengdu	20/17	20	17	Taipei	20/17	20	17	Colombo	20/17	20	17
Chongqing	20/17	20	17	Tokyo	20/17	20	17	Dhaka	20/17	20	17
Colombo	20/17	20	17	Wuhan	20/17	20	17	Hankou	20/17	20	17
Dhaka	20/17	20	17	Xinjiang	20/17	20	17	Hong Kong	20/17	20	17
Hankou	20/17	20	17	Yokohama	20/17	20	17	Kobe	20/17	20	17
Hong Kong	20/17	20	17					Manila	20/17	20	17
Kobe	20/17	20	17					Osaka	20/17	20	17
Manila	20/17	20	17					Shanghai	20/17	20	17
Osaka	20/17	20	17					Singapore	20/17	20	17
Shanghai	20/17	20	17					Taipei	20/17	20	17
Singapore	20/17	20	17					Tokyo	20/17	20	17
Taipei	20/17	20	17					Wuhan	20/17	20	17
Tokyo	20/17	20	17					Xinjiang	20/17	20	17
Wuhan	20/17	20	17					Yokohama	20/17	20	17
Xinjiang	20/17	20	17								
Yokohama	20/17	20	17								

## Heat Wave Causes Havoc Across East Europe

**BUCHAREST** — Eastern Europe is suffering from a three-week-old heat wave that has killed at least 20 lives in Romania, hunkered streetcar tracks in Hungary and smashed temperature records across the region.

Temperatures soared past 40 degrees centigrade (104 degrees Fahrenheit) on Tuesday in the southern Balkans region, which is having its worst

heat wave in half a century. In Bucharest, which has had temperatures of at least 36 degrees centigrade every day since the first half of July, about 2,500 people have called the capital's emergency services in the past four days, and 15 ambulances are on heat patrol.

Hospitals in the city of 3 million said that they were crowded with people who had suffered strokes, heart attacks, sunstroke or had fainted.

The mayor of Bucharest, Viorel Lis, is sending the city hall staff home at lunch every day to avoid any heat-related accidents, and has urged other employers to do the same.

In Belgrade, several dozen people fainted on the hot sidewalks Monday on the hottest Aug. 3 in 111 years: 39 degrees centigrade.

Croatia's beaches were not offering much relief from the record-breaking heat: The Adriatic Sea was 26 to 28 degrees centigrade.

In Budapest, public pools have standing room only and a streetcar line suspended operations Monday when the tracks on one stretch buckled.

Ukraine, which usually has mild summer weather, was hit with record highs of 40

degrees centigrade in the southern cities of Mykolajiv and Kherson.

Amila Nadrai, head of Hungary's National Meteorological Service, said a cool front was expected Wednesday, but the forecast for the region next week was for more heat.

**■ 26 Drown in Turkey**

A total of twenty-six people drowned in Turkey at the weekend as they bathed in rivers and the sea to cool off in a heat wave, the Anatolia press agency reported Tuesday, according to Agence France-Presse in Ankara.

At least 45 people have died as a heat wave baked central, southern and western areas of the country over the past two weeks.

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## THE AMERICAS

## House Votes to Outlaw 'Soft Money'

But Outlook for Campaign Finance Bill in the Senate Is Uncertain

By Alison Mitchell  
New York Times Service

WASHINGTON — After 10 weeks of sporadic and sometimes caustic debate, a majority of the House of Representatives has defeated the Republican leadership and voted for a bipartisan bill that would overhaul the way America's political campaigns are financed.

The relatively strong 237-186 showing Monday night for the measure, sponsored by Representatives Christopher Shays, a Connecticut Republican, and Martin Meehan, a Massachusetts Democrat, makes it likely that it will be the one to prevail against several competing proposals still to be considered.

Fifty-one Republicans broke with

their party leadership to support the bill, while only 11 Democrats bucked their party to vote against it.

"As members of the House, you get an opportunity very few times in your career to make a historic vote," Mr. Meehan said. "This was a historic vote."

The Shays-Meehan legislation would effectively ban unlimited, unregulated donations to the political parties — or "soft money." It was soft money that led to the abuses in the 1996 presidential campaign.

The bill would also curb issue advocacy commercials by outside groups in the 60-day period before an election.

Uncertain of the outcome, even as the vote began, House members — includ-

ing the speaker, Newt Gingrich — stood in the cavernous House chamber staring up at the large electronic board that shows each vote as it is cast. Mr. Gingrich, who usually does not vote, this time voted no.

As support for the legislation surged past a majority, cheers and applause erupted on the Democratic side of the chamber.

To get to Monday night's vote, the bill's sponsors had to surmount months of challenges as the Republican leadership first tried to block the legislation from the floor and then tried to subject it to scores of amendments designed to fracture the bill's coalition.

Despite the House's endorsement of the legislation, the Senate is considered unlikely to take up campaign finance legislation before it recesses in October.

Recapitulating weeks of late-night debate, the House one more time Monday clashed over whether the bill's limit on political fund-raising would restore integrity to a political process drowning in special interest money or whether it would limit free speech and alter the balance of power between the political parties.

Trying to prevent any last-minute Democratic defections, the two senior Democratic leaders of the House took part in the closing debate to make impassioned pleas for the legislation.

There is a national crisis of confidence in our system of campaign financing," said Representative Dick Gephardt of Missouri, the minority leader.

"It is a crisis of confidence that cuts across party lines and should disturb all of us as Democrats, as Republicans, as Americans," Mr. Gephardt said.

Several Republicans argued that their party — which has had a traditional fund-raising advantage — would be hurt because the measure does not prevent organized labor, which generally backs Democrats, from devoting union dues to political campaigns.

"To my Republican colleagues, let me just simply say this is not reform," said Representative Tom DeLay of Texas, the majority whip.

"This is not good government," he said. "This is political disarmament. It does nothing to protect union members from forced union dues while putting shackles on our traditional supporters." He accused some Republicans of voting for the measure simply because they thought the Senate would be sure to kill it.

The bipartisan coalition backing the Shays-Meehan bill countered by turning to a conservative member of the rebellious Republican class of 1994 to make their closing argument.

"Vote yes on this bill," implored Representative Zach Wamp of Tennessee. "It's the moment of truth. The truth is this bill is as fair to Republicans as Democrats."



Lucia Espinoza teaching from an English text to her elementary students in Cudahy, California, during the first day of the implementation of Proposition 227. She had to explain, in Spanish, the word "giggle."

## California Bilingual Experiment Ends

Amid Confusion and Defiance, Schools Begin Switch to All-English

By William Booth  
Washington Post Service

LOS ANGELES — The sweeping social experiment known as bilingual education has officially ended in the state where it began. Confusion reigned in many California school districts and defiance in others as teachers struggled to switch from Korean, Armenian and Spanish to all-English, all the time, often without the help of textbooks or lesson plans.

In Oakland and San Francisco, where schools do not open for another few weeks, officials were still holding out against implementation of Proposition 227, the voter initiative that passed with overwhelming support on June 2.

The initiative, sponsored by a Silicon Valley software entrepreneur, Ron Unz, replaced bilingual education with a year of English language immersion. Except in charter schools, students are then to be pushed into mainstream all-English classes.

The end of bilingual education in California, the largest state in the union and the one with the largest immigrant population, is being closely watched by other states also facing influxes of immigrant children. Reflecting resentment over the spreading challenge, a bill curtailing funding for bilingual education has been introduced in Congress.

But in the meantime, the change began Monday in Los Angeles.

In Maria Elena Crabb's first day with her new second-grade class at Alexandria Avenue Elementary School here, students who previously were taught almost exclusively in Spanish found their teacher introducing herself in English. As the children, in their new blue and white uniforms, sat squirming on the floor at her feet, Mrs. Crabb began reading from the storybook about

little Madeline: "In an old house in Paris that was covered with vines, lived 12 little girls in two straight lines."

Some of the children understood almost every word (vines was a tough one), and waved their hands in the air to answer questions. But others seemed lost and withdrawn. "You see those faces?" asked Mrs. Crabb later. "Total blanks."

In Los Angeles, where a new semester started Monday at 50 year-round schools, the district is replacing bilingual education with two alternatives. In the first, students are taught exclusively in English. Under the second, students, such as Mrs. Crabb's second-graders, are also taught mostly in English, but their teachers are allowed to occasionally explain concepts and words in Spanish.

How much Spanish? "Nobody knows," said the Alexandria principal, Carol Labrow. "As they've explained it to us, before we had a full cup of Spanish. Now we have a quarter cup. It is a precious resource and I'm telling my teachers not to waste it."

But Ms. Labrow promised that no students would be punished for speaking their primary languages. "I'm not going to have a bunch of kindergartners out on the playground crying because no one will tell them what to

do in Spanish," she said. The termination of bilingual education has produced bitter feelings among many of its advocates, who believe that students are well served by first learning reading, writing and core subjects such as math and science in their primary languages, and then being "transitioned" into all-English classes after several years. Many bilingual activists have charged that Proposition 227 was racist and anti-immigrant.

But opponents of bilingual education describe it as a failed experiment that became bogged down, where students spent years learning Spanish and not English, the language immigrant children most need to succeed.

In California, only 7 percent of bilingual students made that elusive "transition" each year.

Waldemar Rojas, the San Francisco superintendent, has said he plans to continue offering bilingual education, as the school district is still under a federal court order dating from the 1970s.

That order, the so-called Lau decision, began the bilingual age by guaranteeing lessons in a language the student can understand. Mr. Rojas said the decision to continue bilingual education is not an act of defiance, but adherence to a court order.

Over the last 20 years, California educators created an elaborate bureaucracy for teaching students whose primary language is not English.

But with the passage of Proposition 227, schools had only 60 days to come up with a new way to teach.

Under the airline's policy the hundreds of thousands of miles earned by the father could be transferred only to the surviving spouse. But under Virginia law the children were entitled to two-thirds of their father's assets. Determined to get all that rightfully belonged to them, they got down to the nitty-gritty and fought over every penny, including the miles.

Even so, the airline would not relent, Ms. Macdonald said, and the wife ended up with all the miles.

Compared with the thousands of dollars she and her husband were disputing in divvying up the home, cars and pension funds, "it was an extremely minor issue," said Ms. Gallagher, whose former husband declined to comment. Still, she said, "you ask for a little bit of everything" in a divorce.

The frequent-flier guru Randy Petersen calculates that 57 million Americans are members of frequent-flier clubs; each year these programs grow by a net of 400 billion miles.

In all, airlines now are liable for "close to 3 trillion miles," said Mr. Petersen, editor of the publication Inside Flyer. Not all of these miles are redeemed and many expire after a set time period.

In some cases there are so many miles involved, "people could go to the moon and back," a New York divorce lawyer, Raoul Felder, said. "So naturally, in cases where everything is a battleground," frequent-flier miles become as contentious an issue as who gets the season basketball tickets or the family silver, he said.

Most airlines are reluctant to transfer miles from one person to another in divorce cases, saying it violates company policy. Still, many say they will abide by a court or-

der or permit one spouse to award free tickets to another.

Frequent-flier miles also are becoming a more frequent issue in inheritance disputes, Mr. Petersen said.

In Virginia, several children vigorously fought to keep their father's second wife from inheriting all of his frequent-flier miles, Rhonda Macdonald, an attorney, said.

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THE WORLD'S DAILY NEWSPAPER

## Frequent-Flier Miles a New Issue on Divorce Battleground

By Caroline E. Mayer  
Washington Post Service

WASHINGTON — It's not just the house, the cars or the mutual funds — it's also the miles.

Increasingly, frequent-flier miles are becoming an issue

in divorce settlements and inheritance disputes.

A decade ago, said a Washington divorce lawyer, Sanford Ain, a judge "thought I was out of my mind" for raising the issue. But now, when an estimated 57 million Americans add another 400

billion miles to their frequent-flier accounts every year, these miles have become part of the currency of life.

In many family disputes, the flier miles are "routinely raised," Mr. Ain said. Divorce lawyers say this is a growing trend they have no-

ticed in the last few years.

Consider the case of a Connecticut couple who divorced after 29 years of marriage. John Rod Calarco was a broadcasting executive who traveled extensively for his job, earning hundreds of thousands of miles. His wife,

June Harden, who now uses her maiden name, said she "felt entitled to get half. I don't have a business where I travel," said Ms. Harden, who is a dental hygienist.

Late last year, a judge agreed, giving her 200,000 of the 400,000 miles as well as the \$480,000 house, half of her former husband's accrued pension and a quarter of his employee investment fund.

Mr. Calarco said he did not have a problem giving his former wife the miles. But he said: "Do I think she earned the miles? Was she the one who sat on the airplanes and ran through the airports all over the world? No."

A Connecticut judge also awarded Allison Gallagher 50,000 miles, 25 percent of her husband's frequent-flier miles, in her 1996 Connecticut divorce.

Compared with the thousands of dollars she and her husband were disputing in divvying up the home, cars and pension funds, "it was an extremely minor issue," said Ms. Gallagher, whose former husband declined to comment. Still, she said, "you ask for a little bit of everything" in a divorce.

The frequent-flier guru Randy Petersen calculates that 57 million Americans are members of frequent-flier clubs; each year these programs grow by a net of 400 billion miles.

In all, airlines now are liable for "close to 3 trillion miles," said Mr. Petersen, editor of the publication Inside Flyer. Not all of these miles are redeemed and many expire after a set time period.

In some cases there are so many miles involved, "people could go to the moon and back," a New York divorce lawyer, Raoul Felder, said. "So naturally, in cases where everything is a battleground," frequent-flier miles become as contentious an issue as who gets the season basketball tickets or the family silver, he said.

Most airlines are reluctant to transfer miles from one person to another in divorce cases, saying it violates company policy. Still, many say they will abide by a court or-

## Away From Politics

• A serial killer has been preying on New York City's pigeons, dosing bird food with pesticide so lethal that some victims die before they are even finished swallowing. Authorities said the poisonings could affect larger birds and even humans. Bird food or bread crumbs laced with a highly toxic pesticide called carbofuran have been left around Manhattan. Investigators said: More than 60 birds, mostly pigeons and sparrows, have died. (AP)

• The tobacco industry paid more than a dozen scientists to write letters

discrediting a 1993 federal report that linked secondhand smoke to lung cancer, the Saint Paul Pioneer Press reported. According to documents released in Minnesota's tobacco trial and reviewed by the newspaper, one biostatistician received \$10,000 to write a letter to the Journal of the American Medical Association. A former government health official got \$6,000 for a letter to the Wall Street Journal. In all, 13 scientists were paid more than \$156,000 for their letters and manuscripts, the records show. (AP)

• The Justice Department accused a 79-year-old retired businessman of lying about his past as a Nazi war criminal to enter the United States more than 40 years ago and asked a federal judge in Manhattan to revoke his citizenship, the first step to his deportation. A lawyer for the man, Jack Reimer, a former potato chip salesman and restaurateur, sharply criticized the government's evidence and said that his client was a prisoner of war during World War II who had never lied to the American authorities. (NYT)

• The FBI says guns and a spy book are among items that agents found at the mountain cabin near Helena, Montana, of Russell Weston Jr., the man accused of killing two U.S. Capitol police officers. (AP)

## CROSSWORD

## ACROSS

- 1 Big sugar exporter
- 3 Find repugnant
- 10 Hiding locale
- 14 — about (approximately)
- 16 Playground feature
- 18 Quick reply, say
- 17 Start of a quip
- 20 Chessplace
- 21 Lousy souvenirs
- 22 Cut off
- 23 Cropped photos?
- 24 Kind of throat
- 25 Part 2 of the quip
- 26 Naval ints.

## DOWN

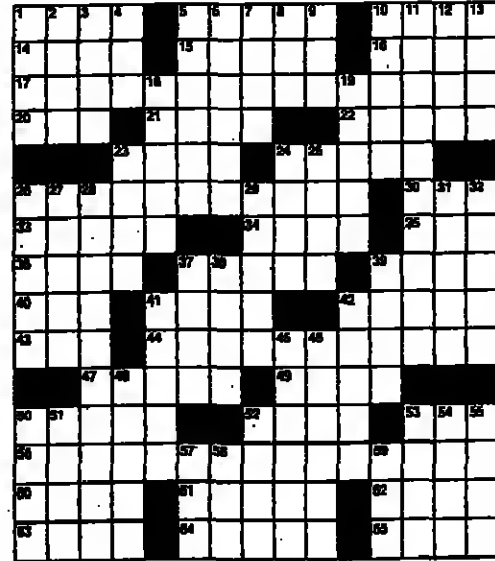
- 33 Run out
- 34 Cuts off
- 35 Alley
- 36 Provide with a hideout, perhaps
- 37 Breaks up, in a way
- 38 Skilled
- 40 DOT's creator
- 41 — Clinic
- 42 Afghan or Thai
- 43 Like one in a series
- 44 Part 3 of the quip
- 47 Locale in western London
- 48 Fringe

## DOWN

- 1 Shipwreck pioneer
- 2 Nicolas of "Con Air"
- 4 Humorous fellow
- 5 End of the quip
- 6 Doomday's sign
- 7 Knot-tying site
- 8 Gumbo vegetable
- 9 Assembled
- 10 Thick-soled shoes
- 11 Top-quality

## DOWN

- 13 Firstlighter's brand
- 14 "Get —" (90's catch phrase)
- 15 Grocery aisle
- 16 Assignment
- 17 Put into the hold
- 18 Loose vertically
- 19 No-frills
- 20 Capital on the African coast
- 21 Distant
- 22 Grinder
- 23 Devote, as time
- 24 El —, Tex.
- 25 City northwest of St. Etienne
- 26 Tennis legend
- 27 Arthur
- 28 Actress Gaynor
- 29 Infringe
- 30 Item attached to a string
- 31 Mystery writers' awards
- 32 Judy of "Laugh-In"
- 33 Elemental particle
- 34 Ancient capital
- 35 Conquer of St. Down
- 36 Str.
- 37 Superstitiousness
- 38 Small buzzer



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Solution to Puzzle of Aug. 4

ALPS	ARAL	SAPPH
TOUT	FARE	OGALA
TALE	CHEVYCHASE	
ATLAS	NIECE	
CHUMPCHANGE	ASU	
HEP	APD	GREGOR
AROMAS	LEAN	
CHINESECHICKENS		
ABON	STEREO	
MANIAC	LEO	WBA
ETS	CHARLIECHAPLIN	
SCOPE	DITTO	
CHOCOLATE	ACTO	
DITTO	ITSY	BEAT
SPENT	DAME	ERMA



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*International Herald Tribune*

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## EUROPE

## Finance Chief Vows Tax Cuts If Germans Re-elect Kohl

**BONN** — Finance Minister Theo Waigel said Tuesday that if the governing coalition was re-elected in September, it would cut income taxes noticeably next year, and he urged a reorganization of state and federal revenue sharing to bolster competitiveness.

Mr. Waigel promised voters that if the coalition emerged victorious in the general election Sept. 27, the first order of business would be to introduce a bill aimed at cutting income taxes by up to 30 billion Deutsche marks (\$17 billion) in two steps.

The finance minister charged the opposition Social Democrats with planning tax increases if they win the election.

"We, on the other hand, plan to cut tax rates in a way that will be felt by everyone," Mr. Waigel said. "We will put forward our ideas again the day after the general election is won."

He presented a report that outlined plans to reintroduce the government tax bill in two steps in 1999 and 2000.

The plan calls for cutting the top income tax rate for individuals to 39 percent from the current 53 percent as well as cutting corporate taxes.

The Social Democratic Party dealt the government an embarrassing defeat last year when it used its majority in the upper house, or Bundesrat, which represents the federal states, to torpedo Mr. Waigel's income tax cuts, saying they were unbalanced.

The Social Democrats' campaign was masterminded by the party chairman, Oskar Lafontaine, pegged to be finance minister if the Social Democratic candidate, Gerhard Schröder, defeats the incumbent, Chancellor Helmut Kohl.

Mr. Lafontaine has criticized the government's belt-tightening policy, saying it chokes private consumption at a time when additional private spending is needed to bolster the economy.

He said the government was trying to run the state like a company, cutting costs to meet the challenges of globalization, and added that was the reason for Germany's high unemployment.

But Mr. Waigel said Mr. Lafontaine intentionally scuttled the tax plan to satisfy his own thirst for power.

While most Germans feel taxes are too high and believe Mr. Kohl's coalition is most likely to lower them, the Social Democratic Party is leading in polls ahead of the election.



Chancellor Helmut Kohl pouring a glass of apple juice during his vacation in Austria, where he was interviewed by German television.

## Despite Polls, Kohl Is Confident

Last Weeks Will Determine Outcome, German Leader Says

**BONN** — Unfazed by recent polls that show his Christian Democrats trailing, Chancellor Helmut Kohl said Tuesday that he expected to win the elections in September, which would be his fifth consecutive victory.

The outcome, Mr. Kohl said on RTL television, in a traditional summer interview from his Austrian vacation spot, will be decided in the last weeks of the campaign.

"I am sure that we will win the election," Mr. Kohl said. "I think that the decision will be made in the last four weeks, and there is still a lot of movement left."

Recent polls show that two-thirds of Germans expect a change in government after the Sept. 27 elections. The edge is going to the rival Social Democrats, leading recent polls with 41 percent to the Christian Democrats' 37 percent.

But Mr. Kohl said he expected high voter turnout, upward of 80 percent, to help his conservative coalition by making it more difficult for smaller parties to get the 5 percent they need to enter Parliament.

He said a vote for the junior coalition partner, the Free Democrats, should not be considered a vote for the present governing coalition.

## Emergency Treatment Saves Havel

Czech President Was on Verge of Death During Night, Doctors Say

Agence France-Presse

**PRAGUE** — President Vaclav Havel underwent emergency cardiac electroshock therapy to save his life Tuesday, after his heartbeat became irregular, in his most serious health scare since 1996, doctors said.

Dr. Boris Stasny said the 61-year-old leader had been "in danger of dying for half an hour" during the treatment early Tuesday, as his pulse rate rose to 200 beats a minute.

"For most mortals that would have been fatal," he said.

Mr. Havel's personal doctor, Ilija Kotik, said at a news conference: "A normal cardiac rhythm was restored due to an electroshock and intensive medication therapy applied over two hours."

The president's condition was stabilized only after several hours of intensive care following the drama in the early hours of the morning, one day after he was rushed into surgery after com-

plaining of serious breathing problems.

Dr. Kotik said that a lung infection, feared to be the early signs of pneumonia, was not as serious as first thought but that doctors were continuing to monitor it.

Mr. Havel felt all right by Tuesday afternoon after his temperature fell and his breathing became easier, Dr. Kotik added. Ultrasound tests on his heart indicated it was functioning normally.

Mr. Havel has suffered repeated health scares in recent years, including the removal of a cancerous tumor from his right lung in December 1996 following a bout of pneumonia — and a further bout of pneumonia last year.

Long a heavy smoker, Dr. Havel gave up cigarettes on medical advice after the cancer operation.

Dr. Kotik said that the heart problem was the most serious since that time.

Earlier, Mr. Havel's wife, Dagmar, said her husband had spent a difficult night but was feeling better.

"I feared for him all night," she told the Czech press agency CTK. "But this afternoon he seems to feel better."

The scare arose Monday after Mr. Havel underwent a tracheotomy — a procedure in which a small hole is made in the trachea at the base of the throat to aid breathing — at the Prague-Strešovice Military Hospital.

That operation had been decided on after he reported breathing difficulties and developed a fever following a routine operation July 26 to remove an intestinal device device inserted during surgery in Austria in April.

The tracheotomy was the most recent of several for Mr. Havel in the last 19 months.

It was performed by Dr. Ernst Bodner, the Austrian surgeon who performed emergency surgery on him on April 14 when he was taken ill while holidaying in the Austrian Tyrol.

Dr. Bodner has postponed his return to Austria following the new surgery.

## BRIEFLY

### 10 Missing in Berlin After Building Blast

**BERLIN** — Up to 10 people, including a 13-year-old boy, were missing Tuesday after a suspected gas explosion reduced a Berlin apartment block to rubble, German rescue workers said.

The police said at least 9 of 19 residents were known to be safe. Some were rescued from the rubble, while others were able to free themselves. The cause of the blast was not known, but a gas explosion was a likely possibility, a police spokesman said.

Fire officials said the 13-year-old was believed to be in the rubble. His parents, who were able to walk from the building, said the boy had been in their ground-floor apartment at the time of the blast.

### U.S. Approves Sale Of Stingers to Greece

**WASHINGTON** — The U.S. Defense Department has approved the potential sale of 1,322 Stinger missiles, 188 launchers and support equipment to Greece at a cost of \$150 million.

The Pentagon said Monday that the proposed sale would "contribute to the foreign policy and national se-

curity of the United States by improving the military capabilities of Greece" and enhance the ability of NATO militaries to cooperate with common weaponry. It would not affect the military balance of the region, the statement added.

### Hopes Fade for Men In Austrian Mine

**LASSING, Austria** — Rescue efforts to find 10 men buried in an Austrian mine continued Tuesday, but some experts left as hopes of finding anyone alive faded to virtually nil.

The departures came after it was confirmed Monday that no signs of life had been found in an underground cavity where the 10 might have taken refuge. Rescue officials said the decision to continue was made after doctors said it was theoretically possible for the men to survive for two months, if they had oxygen and water.

The 10 men were buried in a cave-in on July 17 after going to the aid of a miner caught in a collapse. The miner, Georg Hainzl, 24, was rescued on July 26.

**DUBLIN** — The Irish government said Tuesday that new immigration

laws would make trafficking in refugees a criminal offense after a recent influx of stowaway immigrants arriving on ferries from France.

The regular discovery of stowaway immigrants on ferries from Britain and France has overwhelmed Ireland's previously small asylum applications process system.

A backlog of about 6,000 applications has meant that immigrants have been able to stay for an average of three years before a decision is taken. In 1992 there were 39 asylum seekers. Last year 3,383 arrived.

### Yeltsin Takes a Break

**MOSCOW** — President Boris Yeltsin flew to Russia's picturesque Valdai district Tuesday to resume the summer vacation he interrupted last week citing economic crisis, the Kremlin said.

Mr. Yeltsin was expected to be back in Moscow by the second half of August to meet several visiting foreign leaders.

### For the Record

A police chief and the mayor of Ajaccio, the capital of Corsica, were questioned Tuesday following the theft of 23 police handguns from the city hall police armory.

## In World's Arms Bazaar, U.S. Keeps the Top Spot

But Russia and France Are Catching Up Fast

By Tim Weiner  
New York Times Service

**WASHINGTON** — The United States remains the world's biggest arms merchant, filling the developing world's arsenals with billions of dollars in weapons, but Russia and France are poised to overtake the United States, a government report reveals.

The study, by the Congressional Research Service, says the United States retained its No. 1 position in the weapons trade, which it has held for seven years, by selling \$15.2 billion worth of weapons last year, a 44 percent share of the shrinking arms market.

Russia and France are in a dead heat in the competition for sales pacts, says the report, which is based in part on data compiled by the Central Intelligence Agency. The sales agreements, not all of which are carried out, indicate trends in sales.

The report shows that sales by the United States and other nations to the developing world are slowing. There has been a steady decline in most sectors of the trade since the end of the Cold War and the Gulf War.

The arms bazaar of the 1980s and early 1990s in Asia and the Middle East has calmed, in part because of the Asian economic crisis, which has prevented nations from striking huge new deals.

Another factor is the long slump in crude-oil prices, helping slow purchases by Saudi Arabia, once the biggest buyer of U.S. weaponry. The Saudis have also been constrained by the huge costs they incurred in helping finance the Gulf War in 1991.

Developing nations are still the biggest buyers of U.S. weapons.

Last year, the United States delivered attack helicopters and a variety of missiles to Taiwan, missiles and torpedoes to Egypt, multiple-rocket launchers and airborne-jamming equipment to South Korea and air-defense communications equipment to Saudi Arabia.

Saudi Arabia, with \$11 billion in new weapons deliveries, and Taiwan, with \$9.3 billion, were by a 10-fold factor the largest buyers among developing nations last year, far outstripping their nearest competitors, Egypt, Iran and Kuwait.

They will soon have a new rival. In May, the United Arab Emirates announced that it would buy 80 F-16 fighters, including weapons and support systems, a deal worth an estimated \$7 billion.

U.S. policy on weapons sales was set by an order signed by President Bill Clinton in 1995, Presidential Decision Directive 34. It says the sales are "a legitimate instrument of U.S. foreign policy." The policy makes clear that increasing the sales and market share of

U.S. arms manufacturers is a goal of Washington's foreign policy.

Of all regions, the Middle East continues to have the deepest hunger for new weapons, the report says, and the United States continues to be its most reliable supplier.

U.S. allies in the region have received, among other weapons, 116 supersonic aircraft, 1,358 surface-to-air missiles, 1,332 tanks and self-propelled guns and 72 helicopters in the last four years, the study says.

From 1990 to last year the United States signed contracts to sell \$44.1 billion in weapons to Middle Eastern nations, the report says.

France is in a position to overtake the United States as the region's biggest arms supplier, the report states.

Asia is the second-biggest regional market, and Russian sales to India, China and Vietnam have given it the biggest share of arms-transfer agreements in the region.

From 1994 to 1997, Russia concluded \$29.6 billion in agreements to Asian nations, more than 40 percent of that market. Over all, however, the United States has led the field in the 1990s.

From 1990 to 1997, it delivered \$53.4 billion of weapons to the developing world, far outstripping Britain, Russia and France, the study shows.

The figures in the annual report for U.S. sales include just government-approved military sales, not commercial sales of components and spare parts.

Source: Congressional Research Service

NTT

## Islamist Playwright Gets 24 Years For 'Insulting' Turkish Military

**ANKARA** — A Turkish court sentenced Tuesday an Islamist playwright and actor to 24 years in jail for a play that allegedly insulted the country's powerful armed forces, the Anatolian press agency said.

It said the Ankara court found Mehmet Vahi Yazar guilty of "provoking hatred by highlighting class, racial or religious differences between people" in his play, "An Enemy of God."

Four other members of the cast received 16 years in prison on the same charge, often used to prosecute Islamist politicians or journalists.

A performance of the play last year in the eastern province of Erzurum outraged secular authorities who said the drama encouraged revolt by portraying the military as an obstacle to the establishment of a state based on Islamic Sharia law.

### The Global Arms Bazaar

The United States leads the way in arms sales around the world. Figures are adjusted for inflation.

**BIGGEST SELLERS**  
Arms deliveries to the world, by supplier, 1997.

United States	\$15.2 billion
Russia	\$2.4
France	\$4.9
Britain	\$5.9

**BIGGEST BUYERS**  
Value of arms delivered from 1994 to 1997.

Saudi Arabia	\$15.2 billion
Taiwan	\$9.1
Egypt	\$5.9
Kuwait	\$4.5

Source: Congressional Research Service

## Law to Halt Buying of Sex Stirs Swedes

**STOCKHOLM** — A new law making it illegal to buy sex in Sweden has prompted a national debate over fears the country's sex industry will be driven underground and hijacked by pimps from Eastern Europe.

Swedish social workers argue the law, due to come into effect in January, creates ideal conditions for pimps to ensnare prostitutes and puts sex workers at increased risk of violence and exploitation.

But a politician, Inger Segelstrom, chairwoman of the governing Social Democrats women's committee, is defending the move.

"It is time to stop coddling people that go to prostitutes. People should not be able to buy women for money," Ms. Segelstrom told the daily newspaper Dagens Nyheter.

"The pimps are already here. Two-thirds of prostitutes work indoors, which means the trade is already organized. It's been like this for 20 to 30 years."

A debate over the new law emerged this week after social workers in Stock-

holm voiced concern about an increase in the number of prostitutes from Baltic nations and Eastern Europe coming to work in the Swedish capital.

On Sunday night police raided an inner-city brothel allegedly run by two Estonians that fronted as a health and conference center.

The raid followed reports by one woman of violence.

The police believe the brothel was linked to organized crime in Estonia and was just one attempt to establish a foothold in Sweden's sex industry.

"It is not hard to go over and get new girls" in Estonia, a police spokesman, Per-Uno Hagestam, told Swedish media. "As it is linked to Eastern Europe, the conditions at the club were significantly harder than at other porn clubs in the city. We are talking about white slave trade."

For the price of 1,500 kronor (\$188), the spokesman said. "You can do what you want with a girl for an hour."

A telephone survey conducted by Dagens Nyheter and published on Tuesday found that most Swedes thought the law would drive prostitution off the streets.

Most people thought "the law is just a bag of air," it reported.

"I want to get rid of oppressors of women, but I think that if you outlaw prostitution it will just make the industry more organized," said one respondent, Naima King.

Some were in favor of the law, which will carry a six-month jail sentence or a fine for anyone caught buying or attempting to buy sex.

"If there is a risk of jail, then people will think twice before buying sexual services," said Nils-Gunnar Lind, who took part in the survey.

"You only need to think of the father of a family who takes money from the house accounts to go to a prostitute. Criminalizing this is good for families and for the women."

Sweden, with a population of 8.8 million, is estimated to have about 2,500 prostitutes, but the sex trade is barely visible, with streetwalking restricted to one small area behind Stockholm's main square.

The new law is the product of a prostitution investigation committee set up in 1993.

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## EDITORIALS/OPINION

## Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Good Times Continue

The Asian crisis may alarm Alan Greenspan and assorted other economists, but to the American people the economic outlook could not be rosier. That is what they tell the pollsters, who put consumer confidence at virtually the highest level in 30 years. More important, consumers act on that belief.

Some economists thought the second-quarter numbers would show a decline in the American economy. But instead, the estimates issued by the government last Friday showed continued growth, albeit at a reduced level. That was because Americans, both individuals and businesses, are buying at a very high and ultimately unsustainable pace. Adjusted for inflation, purchases by Americans are up 5.6 percent over the past year. Such rapid growth would be expected if the economy were coming out of a recession and pent-up demand were hurrying forth, but this is the eighth year of economic expansion.

Unfortunately, incomes are not rising at anything like that pace. To support such spending, people are deciding not to save. The statistics on savings are muddled by the government's decision to change the way they

are calculated, but it appears that the savings rate is at the lowest level since the government started collecting the figures in 1946. Perhaps people see little need to save. What savings they have are booming along with the stock market, and there is no worry about recession.

There are signs of problems for businesses brought on by the overseas weakness. So far those problems seem not to have dampened corporate investment, let alone the buying patterns of consumers. But the American trade deficit is soaring to record levels even with imported oil the cheapest it has been in many years.

For now, the trade deficit has little cost. The dollar is strong because the yen is weak, and worries that the Japanese recession will deepen. If Japan does get its economic house in order, the dollar could begin to fall, perhaps raising the reported inflation figures enough to trouble American consumers.

But for now, consumers see a wonderful economy, and are spending on the assumption that it will continue.

—THE NEW YORK TIMES

## Campaign Reform

In the end, the numbers themselves sent the most powerful message. After a year of false promises, poison pills and delays, the U.S. House of Representatives approved the Shays-Meehan bill to clean up the corrupt campaign fund-raising system by a decisive vote of 237 to 186. With 51 Republicans defying Newt Gingrich and supporting reform, the vote shattered the idea that campaign reform is a partisan issue. Also demolished were the predictions of Republican leaders and worshippers of conventional wisdom in Washington that reform was dead. The measure now stands an excellent chance of surviving the tests ahead and winning approval as the final bill.

The House action was a milestone in a journey that began with the first disclosure of campaign fund-raising excesses in the 1996 presidential election. Hearings into those abuses last year were clouded with partisan acrimony. But on Monday, Republicans and Democrats showed that they could work together.

Mr. Gingrich and his henchmen, especially Tom DeLay, tried to portray the legislation as revolutionary. In fact, it simply closes loopholes in the existing law limiting contributions to candidates in federal elections.

The bill extends the law by banning unlimited "soft money" donations to political parties from corporations, un-

ions and rich individuals. These were the donations that the Democrats raised at the White House and Republicans at their own fund-raisers. The bill also applies fund-raising limits to campaign ads broadcast by single-issue groups for two months before an election.

The remaining test for the Shays-Meehan bill will come later this week, when various so-called "substitutes" are voted on. Any bill that gets more votes than the Shays-Meehan bill will be the one to win final passage.

It is imperative that supporters of Shays-Meehan vote against these substitutes, particularly a sham piece of legislation advanced by a group of freshmen that would ban soft money from the national parties but let it go to the state parties. The freshmen bill is not worthy of the name "reform." It would channel the same corrupting money from special interests into national campaigns from a different route.

In a climactic moment in the debate, Zach Wamp of Tennessee implored his fellow Republicans to set aside their party leaders' addiction to soft money and approve legislation clearly desired by the public. That his argument carried the day kindles genuine hope that Congress does listen to the public's yearning for a more accountable political system. Members of the House or the Senate will now ignore that message at their peril.

—THE NEW YORK TIMES

## Pay-Per-View Threat

The U.S. Congress has been trying for most of this year to ratify the international treaties that are supposed to bring copyright law into the digital age. It has been a large and complicated endeavor, requiring people to rethink such fundamental aspects of intellectual property rights as what constitutes "copying" in a digital environment—Is it copying a document just to read it on your computer? To print it out to read later?—and when such copying represents a copyright violation.

But the major snag is none of these weighty issues but, rather, a fierce face-off between libraries and big-time copyright-holding interests over a seemingly minor provision that would make it a crime to break any technological locking device designed to prevent unauthorized copying.

This debate over the "anti-circumvention" provision is now the main item of disagreement between versions of the copyright bill produced by the Judiciary and Commerce committees of the House of Representatives. (The Senate passed copyright legislation in May.)

Those who expect movies, songs, software and even books to be eventually delivered mainly over the Internet want to make sure that this will not mean widespread unauthorized copying and the subsequent collapse of any market for the work. (Newspapers, as creators of copyrighted material, have an interest here as well.)

They picture every piece of intellectual property being distributed with some kind of "lock" that would permit, say, just one viewing of a downloaded movie. It is the disabling of this lock that would be a crime, ex-

cept in specified circumstances. There is room for doubt whether it makes sense to make the lock-breaking a crime here rather than merely, as till now, the actual copyright violation.

But the real problem is more pragmatic. This "transition to a pay-per-view world," as one enthusiastic movie distributor put it, works fine for the entertainment industries and the commercial market. Where it does not work is in libraries and other places where use of books and research material is not pay-per-view but, till now, free.

Libraries are worried that the "fair use" exemption that allows limited use of copyrighted material without permission for such purposes as comment, criticism, education or research, although technically unchanged in the law, would become sharply limited in practice if all material were distributed with "locks," and libraries were prohibited from "unlocking" it.

What happens, they ask, if a chart of environmental data that can be photocopied for use in a class were made available only on a CD from which printouts could not be made? What if research journals were provided to libraries on a pay-per-view basis that would keep independent researchers from making photocopies for their own use?

Language in the Commerce bill sought to address this problem by creating a mandatory review every two years of the provision's effect on "fair use" in various contexts. On the floor or in conference, these protections from a permanent "pay-per-view world" ought to be maintained.

—THE WASHINGTON POST

## The West Winks at Serbian Atrocities in Kosovo

By Fred Abrahams

NEW YORK — Serious human rights violations are being tolerated in Kosovo in favor of short-term geopolitical interests in the Balkans.

Serbian police and the Yugoslav army have launched their largest offensives to date against the ethnic Albanian insurgency. They appear to have used disproportionate force, attacking civilians and systematically destroying villages. At least 100,000 people are internally displaced, many hiding in canyons and forests, and 20,000 have fled the region altogether.

Despite this, NATO is now further from taking action than it was a few months ago. The U.S. government has expressed only mild criticism, mostly because the Kosovo Liberation Army has become an annoying threat that it could not control.

Diplomats in Kosovo are telling journalists that the West has turned a blind eye to the abuses in order to force the KLA to the negotiating table.

The U.S. position is presented by Secretary of Defense William Cohen, who recently said that NATO "does not want to see" Yugoslav President Slobodan Milosevic's troops attacking

civilians or using disproportionate force, but also does not want to take action that "could be construed as lending support, either moral or military, to those seeking independence."

Such a position spells disaster for the people in Kosovo and the region. Mr. Milosevic's troops are committing serious abuses, and there is no indication that the atrocities will stop.

Human rights groups name five villages where summary executions have taken place since February. Hundreds of people have been arrested and abused; many villages have been destroyed. Many civilians must have died from indiscriminate artillery fire.

Where is the threshold? At what point will the Clinton administration decide that it has seen enough?

Understandably, Washington is concerned about the destabilizing effects that an independent Kosovo might have on neighboring Macedonia, with its sizable ethnic Albanian population, and on the fragile peace in Bosnia, where 20,000 U.S. soldiers are still on

the ground. But unchecked atrocities, and the predictable KLA response, will feed a refugee outflow that could ignite an increasingly radical Albanian community in Macedonia.

Washington is missing the fundamental point that there will be no stability in the Balkans as long as Mr. Milosevic stays in power.

Despite past atrocities in Croatia and Bosnia, American officials still regard him as the man who can stop the fighting. The "man with the reins" argument was used by Richard Holbrooke when Mr. Milosevic signed the 1995 Dayton accords, which stopped the fighting in Bosnia. But the international community's failure to punish Mr. Milosevic for crimes in Croatia and Bosnia sent the message that he would be allowed to get away with such crimes again.

The man who started these conflicts cannot be trusted to stop them. There will be no lasting peace as long as Yugoslavia remains an undemocratic state with Mr. Milosevic at the helm.

Even if the Albanians agree to autonomy, as the U.S. government is pressing them to do, there is no guarantee that Mr. Milosevic would end his

repressive rule in Kosovo, or that he would not again revoke Kosovo's status at some point in the future. An abusive government in Belgrade will be a constant threat to the region.

The first priority for U.S. policy should be his indictment.

A second is continued cultivation of democratic alternatives within Serbia and Montenegro, with an emphasis on building institutions like independent courts and depoliticized police. Independent media should be supported.

All options for Kosovo's political status should be considered, as long as they include guarantees for the rights of both Albanians and Serbs.

Admittedly, strong action against Mr. Milosevic is a bad message to send to armed insurgencies with separatist agendas around the world. But equally bad is the current message to Mr. Milosevic and other aggressive dictators that their violence will be tolerated by the international community in the name of territorial integrity.

The writer, a researcher at Human Rights Watch, contributed this to the International Herald Tribune.

## Recession in America? Time Now to Worry About It

By James K. Glassman

WASHINGTON — No one knows what the American economy will do, but when the experts see growth to the far horizon, it is time to worry.

I think a case can be made that the economy is beginning to slow significantly. And while it is far from certain that a recession is imminent, smart politicians would be preparing for one. They are not.

Politicians heading into the November elections are disturbingly bipartisan. Both sides figure that, with peace and prosperity, their incumbents will cruise to re-election, so there is no sense taking principled stands.

But prosperity is now in question. On Friday, the government reported that GDP increased by only 1.4 percent in the second quarter. That is a severe decline from 5.5 percent growth in the first quarter.

Quarter-to-quarter GDP figures are notoriously volatile. As recently as the third quarter of 1996, GDP growth was a mere 1.0 percent. But that figure was an anomaly. The world is very different today. Thanks to a severe crisis in Asia, global fundamentals are turning sour. Japan is mired in recession with little hope of recovery soon. GDP fell by 5 percent in the most recent quarter, and industrial production was off by 19 percent. The Japanese unemployment rate is at a record high, and bad debt at banks is estimated at \$1 trillion.

Deflation threatens to sweep the world. Food prices have fallen by nearly one-third from last year. Lower prices for commodities, as for finished goods, are usually a good thing, but if, because of weak demand, prices keep falling, companies cannot make profits and they soon start laying off workers and going bankrupt. Consumer demand drops further, and a full-fledged recession, or even depression, is the result.

U.S. firms are feeling the

head winds from Asia. Earnings growth in the second quarter for the large public companies was just 4 percent — the slowest since 1991, the last recession.

Since July 17 the stock market has dropped by more than 6 percent. A big decline would be a double whammy, pinching corporations and making Americans, who own count stocks as the No. 1 source of wealth, feel poorer and less apt to spend.

With all these dangers, where are the politicians? At the very least, you would think that Republicans would be prepared to say to Democrats: "This slowdown is the result of your president's policies. If he hadn't been preoccupied with scandal and if he hadn't taken us down the wrong road, the economy would be booming."

Of course, to criticize the Bill

Clinton for taking the wrong road, Republicans would have to make the case for the right road. This they have not done. Nor have traditional Democrats to the left of Mr. Clinton.

This negligence is no surprise. Throughout the past decade, both parties have sacrificed principle to ad-hoc-ism. It is hard to decide whether to embrace or to dismiss a policy unless you have solid beliefs to measure it against. Neither side has such beliefs.

Thus, for example, we see Republicans backing more regulations on medical insurance, and Democrats supporting corporate welfare programs.

In 1950, the late Barry Goldwater wrote: "I have little interest in streamlining government or making it more efficient. I mean to reduce its size. I do

not undertake to promote welfare, for I propose to extend freedom. My aim is not to pass laws but to repeal them."

Which politicians, on either side, could voice principles so clearly and stick to them? Perhaps Representative Mark Sanford, Republican of South Carolina. Or Representative Barney Frank, Democrat of Massachusetts. Not too many others.

Politicians with principles would have been making consistent arguments, so that, when bad times struck, they would be ready with an answer.

Republicans could say: "The best way to cope with the inevitable ups and downs of command-and-control economies around the world is by making our own economy more free — and our companies more flexible and agile. Do that with a simple triumvirate: less onerous regulations, freer trade and, as

an imperative with our budget surplus, much lower taxes. Otherwise, we will be swept into the Asian vortex."

Democrats could say: "The Fed must end its tight money policy now, or it will create a severe recession. The Treasury's romance with lower growth to help bondholders now threatens to wreck the economy. We must use the unprecedented surplus to relieve the suffering of Americans who have been left out of this prosperity and to rebuild the nation's infrastructure — in a boost to an economy that could collapse at any minute."

Instead, silence and ad hoc pronouncements reign as the economy heads south.

The writer is a fellow at the American Enterprise Institute. He contributed this comment to The Washington Post.

## The World Needs an Effective American Presidency

By Thomas L. Friedman

RIO DE JANEIRO — Scene one: A Brazilian macho man's association recently voted Bill Clinton "Man of the Year," and even delivered the award to the American Embassy.

Scene two: Lunch in Rio de Janeiro with a group of Brazilian businessmen. They want to know what Bill Clinton's troubles might mean for U.S. investment in Brazil.

"The whole world is depending on U.S. capital flows," explains Joel Korn, a leading Brazilian management consultant. If there is a change in the U.S. situation because of the president's troubles, which affects U.S. investment overseas, the whole world will be hurt.

You have been in a nutshell the two basic foreign reactions to Mr. Clinton's troubles.

Surely, you Americans can't be serious about prosecuting a president for adultery.

World leaders always play around — just look at ours.

My God, what if you Americans are serious about prosecuting your president for adultery? Don't you realize how important you are for the rest of the world? Maybe you think you don't need a president — but the rest of the world does.

We Americans may think that the world is safe for us to indulge in this entertaining Clinton saga, and for U.S. foreign policy to come to a standstill while the saga plays out, but it is not.

Russia, with 20,000 nuclear weapons and an impoverished arms industry ready to sell anything to anyone, is teetering on the edge of collapse. Kosovo and Albania are imploding. China is considering devaluing its currency, in a move that could trigger a whole new

downward economic spiral in Asia that would surely hurt the U.S. economy. Japan is stumbling around, lost.

Saddam Hussein is preparing to rear his ugly head again. Iran is testing a long-range missile. The Arabs are moving closer to Iran, out of a feeling that the United States is too weak now to protect them from any Iranian meddling.

The expansion of U.S. free trade, through the fast-track process, is frozen because the president is afraid to confront congressional Democrats on this issue, because they are his only core support.

And the Arab-Israeli peace process is frozen, in part because the White House has completely wimped out from its vow to confront Israel's prime minister if he continues to reject the U.S. peace plan.

This is not some backdoor argument for letting the president off the hook and just ignoring this whole tawdry affair. It is an argument for why the president, in whatever he says to the grand jury this month or to the American public afterward, has to bring this case to a close, once and for all. No more "I didn't inhale." "I didn't consummate." "Not to my recollection."

The press is now full of reports about infighting in the White House between aides who think the president should come clean with the grand jury and aides who think he shouldn't. Excuse me, but are these guys nuts? Do they really think there is any hope for salvaging the Clinton presidency with anything less than a full disclosure?

Do they really think America's national security interests can indefinitely tolerate a wounded president, constantly on the run from the press, courts and Congress?

Mr. Clinton has to say and do now what is necessary to put this case behind him — in a way that might give at least some chance for him to pursue the progressive agenda, at home and abroad, for which he was elected.

He owes that to all the people who believe in the social and economic programs for which he stood, and still might be able to salvage. He owes that to the people who don't want to see an isolationist, mean-spirited Republican right shaping America's future.

Whatever his aides might say, his options are to tell the truth or resign.

The New York Times

## For India, Disarmament or Equal Security

By Jaswant Singh

NEW DELHI — India's nuclear policy remains firmly committed to one basic tenet: In a world of nuclear proliferation, our national security lies either in global disarmament or in the exercise of the principle of equal and legitimate security for all.

This has been the basis of India's consistent campaign for nuclear disarmament in the past five decades. No other country in the world has exercised the kind of restraint that India demonstrated for nearly a quarter of a century after the first Pokhran test of 1974, despite the fact that India has faced a situation, unparalleled in the world, with two nuclear powers in its immediate and troubled neighborhood.

The 1990s, however, brought about a qualitative deterioration in India's security environment. This resulted, in the first instance, from the complicity of the "permanent five" guardians of the nuclear nonproliferation regime in the spread of nuclear know-how in India's neighborhood, which they ignored or overlooked.

Indeed, as seen from India, nuclear technologies began to serve as commodities of strategic, political and economic commerce. For India, nonproliferation efforts began to appear curiously selective.

The deterioration was also a result of new strategic alignments. After the end of the Cold War, a new nuclear club came into existence, stretching from Vancouver to Vladivostok. Spreading across the globe, from the eastern rim of Asia back across continents to the Pacific Northwest, this new security structure left a gap — a vacuum — in South Asia.

Because it is exclusive, selective and inadequate, this protective umbrella, from a South Asian point of view, is also inherently discriminatory. Large parts of the world today enjoy the benefit of the extended deterrence of the nuclear weapon powers. But India does not.

Since this large majority does not share either India's history or its security concerns, closing the gap has not been a priority for it. Again, not so for India.

That is why, in the flood of commentary on our decision to test nuclear weapons, there have been so many ill-informed assessments of India's security predicament. Paradigms of security relevant to others are transposed to us. The people of India, one-sixth of humanity, are seen merely as objects of the security perceptions of others.

We are assigned a particular place in the world order and not treated as subjects responding to our own interests.

While the present nuclear powers justify nuclear weapons even against perceived threats from non-nuclear states, a regime of international nuclear apartheid becomes operational whenever India claims a place in the sun.

India's decision to conduct nuclear tests was a step taken in our national interest. By exercising this option, India only brought the existing nuclear reality, hitherto ignored, into the open. It sought to move toward, and has gained, some strategic autonomy. That is India's due.

Thus, in the absence of any viable alternative, India, through a limited series of tests, has only asserted that either

the international nuclear security paradigm be reviewed or that it be made inclusive. India cannot accept a semicolonial and inferior status as a nation whose security prescriptions are determined for it by others.

We appeal to the international community — particularly to the nuclear weapon powers and all countries that derive their security through nuclear deterrence protection extended to them — to join us in re-examining the present international security regime. We must find ways and means of moving toward global nuclear disarmament, step by step.

In the wake of India and Pakistan's tests, there have been many calls by the international community for restraint in further development of the nuclear option. India has made several assurances and offers displaying precisely such restraint.

We have stated clearly that we will not be the first to use nuclear weapons. We have announced a moratorium on further testing, and conveyed our willingness to convert that moratorium into a de jure obligation. We are already engaged in meaningful discussions on a fissile material cutoff treaty in the Conference on Disarmament. And we have already announced our accession to the Chemical Weapons Convention.

We have also announced strict adherence to, and a stringent tightening of, export control measures on nuclear, missile, chemical and biological weapons-related technologies. But the present model of nuclear nonproliferation based

only on differential standards of security is not viable. What is required is a balance of rights and obligations in the entire field of disarmament and non-proliferation.

The way ahead is through the evolution of a universal security paradigm for the entire globe. In the nuclear realm, as in all others, humanity is indivisible.

The writer is senior adviser to Indian Prime Minister Atal Bihari Vajpayee on defense and foreign affairs. This comment was distributed by the Los Angeles Times Syndicate.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

## 1898: U.S. Indiscretion

MADRID — Rigorous censorship has set upon the peace negotiations. You can imagine the feelings excited by the telegram to the effect that President McKinley has taken the entire American people into his confidence as regards the terms of peace. "El Liberal" says: "The governors of North America conduct in a manner as plebeian as absurd the art of politics and of diplomacy. For them the professional reserve upon which depends the salvation of nations is ridiculous antiquities, admissible only for the peoples of Europe. In our opinion it is much better to give no information to the vulgar."

## 1923: Bearded Czechs

PRAGUE — An organization, which will attempt to induce all Czech-Slovaks to wear full beards as an expression of their

nationality, will hold a convention at Maserisch-Ostria. The society, which has enlisted hundreds of members, declares that the Czechs at the greatest period in past history all wore beards, and loyal members of the new republic should do the same.

## 1948: Arab Refugees

TEL AVIV — The Secretary General of the UN cabled a tersely worded reminder to Israel of the status of the Jews in Europe and Jewish detainees in British camps in Cyprus. The cable followed Israel's refusal to permit the re-entry into Palestine of the 300,000 Palestine Arab refugees displaced from their homes by the fighting in Palestine. It was addressed to Israeli Foreign Minister Moshe Shertok. Mr. Shertok said Israel would not permit the Arab refugees to return until there had been a final peace settlement in Palestine.

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## OPINION/LETTERS

## America in an Era of Lackluster Leadership

By Sean Wilentz

LOS ANGELES — A trip to Franklin Delano Roosevelt's home at Hyde Park, New York, stirs both pride and puzzlement. The pride comes in feeling some contact with an American who endured debilitating hardship and then stirred himself, and the nation, to perform extraordinary feats.

The puzzlement comes in two forms. Although Roosevelt was, by any definition, the manor born, his residence (like the museum nearby built in his honor) seems remarkably unpretentious, a real house in which real people actually lived.

In one corner of the heavily draped living room is the table at which Roosevelt dined with his stamp collection; the guest quarters and Roosevelt's bedroom are tasteful in the Victorian manner but hardly sumptuous.

The second puzzlement has to do paradoxically with Roosevelt's genuinely heroic image amid the lack of imperial grandeur. All around, in the clutter of old navy prints and family bric-a-brac,

there are silent reminders of the adversities he overcame, none more poignant than a pair of empty wheelchairs.

There are reminders of his great accomplishments amid the Depression and World War II: drafts of major speeches, letters from poor but encouraged ordinary citizens, an exhibit reconstructing the White House's secret war room.

There are reminders of other larger-than-life characters, ranging from Eleanor Roosevelt to Churchill to Stalin — for good and for evil an impressive group.

There is only one jarring intrusion of contemporary life: a photograph commemorating President Bill Clinton's summit meeting with President Boris Yeltsin at Hyde Park in 1995. Coffed, tailored and puffed up as both men are, they look like pygmies beside the departed great.

Where are the public heroes of yesterday? The question has haunted succeeding generations of Americans.

Among those who came of age around the year 1800, there was palpable anxiety about their inability to live up to the example of their fathers, who had won the revolution and ratified the U.S. Constitution.

At the end of the 19th century, the sons and daughters of the Civil War generation faced similar fears of an impending decline into complacency and enervation.

Today, Americans under 50 look back at their parents and the rest of the heroic cohort that battled the Depression, defeated fascism and secured civil rights and start to worry.

This generation can boast of advancing cultural revolutions that have widened opportunities for women and minorities. But so far its poll-driven, television-obsessed public leaders — Mr. Clinton, Al Gore, Dan Quayle, Newt Gingrich — have appeared less than heroic and more than a bit craven.

Have our public leaders become spiritually timid and

lackluster? Has the capacity for bold leadership — what Mr. Quayle's mentor, George Bush, cynically called "the vision thing" — been purged from public life and monopolized by brilliant capitalist nerds like Bill Gates?

These worries may prove, in time, to be completely misplaced. The generation that followed the revolution, after all, produced an abundance of public heroes: William Lloyd Garrison and Sojourner Truth, Andrew Jackson and Henry Clay, Daniel Webster and John C. Calhoun.

As the smug excesses of the Gilded Age mounted in the 1880s and 1890s, such figures as Theodore Roosevelt, Woodrow Wilson, Eugene V. Debs and W.E.B. DuBois were preparing to clamber onto the national stage. It is possible that their like will turn up again in the years to come.

Still, there are reasons for concern. Previously, despite various ills attendant to U.S. politics, there survived an ideal that public service was a noble calling, that the right man or woman in the right

place could make a world of difference.

Today, those ills — legislative logrolling, campaign finance payoffs, media manipulation — no longer seem merely attendant and correctable but endemic to the system, and dissuade idealists.

Could only, eloquent Abraham Lincoln, whose prose style was biblical and not cleverly commercial, be elected president today?

Meanwhile, the public's interest in politics, as measured by steadily declining election turnout, has vastly eroded.

Yet historically Americans have felt a need for national political heroes to guide them through critical times as well as to vindicate a sense of shared political commitment. Are such incipient heroes out there today? If there are, will they be recognized, and can they make a difference, in today's political climate?

Although we Americans have our share of problems, our great troubles or moral crises appear on the horizon just now. To reverse the old Chinese curse, we are blessed to be living in uninteresting times.

And so, perhaps, we are getting leaders suited to those times. But times change, and one wonders whether our store of heroic leadership can be replenished.

More grievously, one wonders whether, after so much cynicism and glitz, the public could even accept such leaders. The country still has the capacity to unite in times of brief, alarming crisis: during President Bush's Gulf War, for example, or following the bombing of the federal building in Oklahoma City.

But who's to say that this would hold true over the long haul, amid troubles that do not end so fast, like the Depression or World War II? Who's to say that even Roosevelt himself could have led our jaded body politic through the sorts of crusades some of us look back on now with nostalgia?

The writer, a professor of American history at Princeton University, contributed this column to the Los Angeles Times.

## South Africa's Other Racism: Blacks' Hatred of Whites

By Sindiwe Magona

NEW YORK — The murder of Amy Biehl, an American student, in Guguletu, South Africa, nearly five years ago highlighted a seldom mentioned legacy of apartheid: the deep-seated racial hatred that many South African blacks hold for whites. The granting of amnesty last week to the four young men convicted in the killing gives us a chance to take stock and ask whether harboring such hate does us any good.

Amy Biehl, everyone agrees, died because she was white. Racial hatred motivated

"I have gone to the mortuary," Nelson Mandela said on a trip last month to the troubled KwaZulu/Natal Province, "and I have seen people with cracked skulls, others shot in the mouth." Much of this was black-on-black violence. Hatred is corrosive and turns inward, destroying especially those who harbor it.

The hatred has to be acknowledged. That is the first step toward change. Then proceed to the next step: How do these feelings serve us? Are they helpful? Do they advance us in any way? Or do they derail us from our chosen path, distract us from the goals we have set ourselves? Whatever insights we gain from such open discourse can then lead us to the third step in our program of healing: Act on insights gained.

The murder of Amy Biehl brought an overwhelming outpouring of grief and outrage. Support for the Biehl family came from all sectors of the population and from people in all walks of life. However, it did not admit that racial hatred was a cancer in the very core of society.

Now, the Truth and Reconciliation Commission has granted amnesty to the four young men jailed for the killing. The judges said that the four youths had subscribed to the belief that whites were their enemies. "At that moment, to them, Amy Biehl was a representative of the white community," the judges said.

In a remarkable show of compassion, Amy's parents have supported the commission's decision. What is more, they have expressed the hope that these young men "will receive the support necessary to live productive lives in a nonviolent atmosphere."

If the miracle of 1994 will not be betrayed, the ultimate freedom of the people of South Africa must give themselves freedom from hate.

Past wrongs will not be redressed through mindless violence, blind hate, lawlessness and brutality. Rather, concerted corrective action is called for. And the first step toward that is acknowledging the hate — and then letting go of it. Only then can our energies be truly harnessed and redirected toward healing and the building of a nation.

If even half of the outrage of August 1993 could be channeled into concrete action, the country would certainly inch toward the ideal state that Amy Biehl's parents envision. But there can be no cure until there has been a diagnosis. Acknowledging our cancer is the first step, the prerequisite.

The writer's fifth book, "Mother to Mother," was just published in South Africa. This column was contributed to The New York Times.

## FDR: A Giant Despite His Disability

By Curtis Roosevelt

S.T. BONNET DU GARD, France — The presidency of Franklin Delano Roosevelt was unique in many obvious ways. He was elected four times, serving just over 12 years before he died. We usually remember the American presidents who had a war to contend with or a huge domestic crisis. FDR had both, the Depression and World War II.

When FDR was president, from March 1933 to April 1945, it was not a secret that he had a severe bout with polio. But the extent of his disability was not well known. Not only could he not walk, but he could not stand without braces that ran the entire length of his legs.

In those days, people were generally inhibited about referring to someone's disability. The rare reference to him as "a cripple" was meant to cripple FDR politically, and it always backfired.

Oddly enough the public today may be less aware of FDR's disability than the public was when he was alive. But it is essential that people know of his disability. Not to grasp that we, the American public, overwhelmingly supported a severely handicapped leader in the White House is to completely miss one of the extraordinary events in the history of American democracy.

FDR the man cannot be understood without comprehending that he was crippled. He could have died from the severity of his polio attack in 1921. As it was he lost all movement in his legs and even some strength in his right hand. For six to seven years he tried to regain some use of his legs, but his success was marginal.

Within the first year of contracting polio, when the extent of FDR's disability became generally known in political circles — it could hardly be hidden in public appearances — his political future was written off. The only ex-

ceptions to this opinion were Louis Howe, FDR's aide, and FDR himself. (Eleanor Roosevelt supported her husband's ambition but doubted that he could ever return to active life.)

When FDR successfully returned to politics in New York state, he was vastly relieved to find that his disability seemed to have had little impact on voters. FDR's opponents found that labeling him a cripple was a nonstarter.

When FDR ran for president in 1932 he and his advisers again worried about the impact of his disability, but it turned out to be an issue of no consequence. As a campaign issue it never surfaced during FDR's career.

This does not mean that FDR was open or casual about his inability to walk. On the contrary, he wanted little or no mention of it, particularly any comment that conveyed sympathy. "Sob stuff," he called it. He was very much of the stiff upper lip tradition.

In short, FDR was extremely sensitive to anyone's calling attention to his infirmity. His family made no mention of it except if some practical arrangements were to be made.

The press tacitly agreed to not take pictures of FDR in his wheelchair. When he was settled in his chair there would be lots of photos, but not before. Journalists, with whom he met regularly, never talked to FDR about the fact that he could not walk. It would have been rude to raise the topic with the president — or even to seem to be aware of his useless legs. In those days people had a different view of privacy, even when it came to public figures.

Appearing in public presented logistical problems for FDR. Such occasions, when the president had to put on his

heavy braces, required planning. By swinging his hips, which pushed his legs forward, leaning on a cane with one hand and gripping the arm of a sturdy companion with the other, FDR seemed to be walking. Thus he was able to navigate the few steps to a podium or to greet official guests when protocol required him to stand.

Although FDR was no longer concerned about political opponents using his crippled condition against him, he was sensitive about his personal privacy. He remained vulnerable in spite of the confidence he radiated.

There is perhaps another reason for FDR's desire to minimize the appearance of his crippled condition. Probably no president has been more conscious, more astute, in gauging the public's response and reaction to him personally.

He knew instinctively that American voters did not want to have the president's disability thrown in their faces. As the years go by, fewer and fewer Americans will appreciate the fact that their forebears were quite happy to elect a handicapped person as president of the United States. We cannot allow the memory of FDR's disability to fade even more. A full picture of this extraordinary American political leader must be given.

We must grasp the fact that every day the president could not get out of bed, get dressed, reach the bathroom or get to his desk without the assistance of another person and a wheelchair. He was totally dependent upon both. Considering these restrictions, FDR's extraordinary leadership and achievements become even more impressive.

The writer, a grandson of President Franklin D. Roosevelt, contributed this column to the International Herald Tribune.

## LETTERS TO THE EDITOR

## About Clinton

To dig into peoples' personal lives to determine whether they have had extramarital sexual relationships, and with whom; to investigate what kinds of books people read or give as gifts; to analyze clothes looking for traces of sperm — all this is a clear invasion of privacy. To invade and intrude upon privacy with the support of the judiciary is the way to a police state.

I believe that Kenneth Starr's investigation and procedures have infringed upon the privacy of a number of people, including of course the president of the United States. It is frightening to imagine what Mr. Starr will do next.

FERNANDO ALVAREZ QUINONES, Madrid.

Regarding "Presidency Under Siege: Enough Is Enough" (Opinion, Aug. 3) by Arthur Schlesinger Jr., I read Mr. Schlesinger's ar-

tle with some astonishment. The point he misses is that if President Bill Clinton is found to have had sex with Monica Lewinsky, and thus to have lied under oath and to the nation, he will have set a terrible example for the youth of America. It is on that youth that the moral regeneration of an already blighted America depends.

ROBERT A. CLARKE, Fleurance, France.

Regarding "Starr Transforms the Presidency Into a Kind of Purgatory" (Opinion, July 31) by Jeffrey Rosen:

Mr. Rosen's reasoning is absurd. Of course future presidents will be able to talk to aides and friends whenever they feel the need to do so. Those conversations will cause no problems as long as they do not mention anything that is against the law, such as suborning perjury.

There lies the crux of the matter. Most people could not care less about Mr. Clinton's

private life. It is the possibility that he might have lied that people cannot accept.

MICHELLE COURTNEY, Paris.

Can a foreigner be allowed to express his concern about the events taking place in and around the White House?

Regardless of the guilt or innocence of President Clinton in the Monica Lewinsky matter, the political consequences of a possible impeachment or resignation would reach far beyond the borders of the United States. It would jeopardize the prestige and authority of the nation that has played the major role in leading the world to peace and in promoting the unprecedented development of democracy throughout the world.

If, once again, a man twice elected by his compatriots to the most important job on the planet is found unworthy of their trust, doubts will be raised about the aptitude of America's governing institu-

tions, political parties and democratic procedures to choose the right man for the job. It is not only the individual concerned but the function of democracy itself that will suffer.

FRANCOIS DE ROSE, Paris.

## Rape Survivors

Regarding "No Answers From Bosnia Rape Case" (July 30):

The article highlights some of the special difficulties facing survivors of rape in the context of war. At our foundation we see more than 2,000 torture cases each year from more than 90 countries. Many are rape victims.

The shame of rape is deeply felt by all of the victims who come to us for help and is especially profound in certain populations due to religious and cultural factors. However, it is not the case that rape victims are so disturbed by their experiences that they are too confused to recall details about the crime committed against them. Quite the opposite is usually true: The deed in all its detail has been seared into their flesh and memory and they relive it every day.

Without prejudice to the Croat soldier accused of aiding and abetting rape in the case now before The Hague tribunal, I wish to point out that state perpetrators often accuse their victims of inventing or imagining the crimes.

Let me be categorical: To be treated or counseled for the aftereffects of rape or other horrendous crimes does not mean that the victim's judgment or memory is confused or subject to suggestion.

SHERMAN CARROLL, London.

The writer is the spokesman for the Medical Foundation for the Care of Victims of Torture.

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Alan Greenspan ponders his grocery list.



## INTERNATIONAL

# U.S. Charges Milosevic Broke Kosovo Promise

Serb Reneges on Aid, White House Says

WASHINGTON — The White House charged Tuesday that President Slobodan Milosevic of Yugoslavia had violated a promise on Kosovo refugees, and it said the United States and its allies were working on options for action in the crisis.

"The humanitarian situation is becoming of increasing concern to us," said a spokesman, P.J. Crowley.

"President Milosevic pledged late last week to allow greater access for humanitarian workers to address the situation with respect to displaced," he said. "So far, his words are not backed up by action."

About 35,000 Kosovo residents have fled their homes in the province, where Serbian troops and police units have launched an intensive assault on ethnic Albanians.

The UN High Commissioner for Refugees said Monday that 35,000 people had fled their Kosovo homes in the last two weeks, raising to an estimated total of 180,000 the number of refugees and displaced persons in the province.

On Monday, the North Atlantic Treaty Organization and the United States drew closer to calls for international intervention after reports that the refugee exodus in the separatist Yugoslav province was bordering on a "catastrophe."

"NATO contingency planning continues," Mr. Crowley said. "It's at a very advanced stage. Meanwhile, we continue to watch a variety of options on how to deal with the situation."

Heavy fighting in central Kosovo on Tuesday prevented international aid agencies from reaching tens of thou-

sands of ethnic Albanians who had fled Serbian attacks on their villages.

Ethnic Albanian sources claimed the sealed-off Drenica region was "in flames."

The reports indicated that Serbian forces were showing no signs of relenting despite President Milosevic's promise last week to stop the offensive.

The continued fighting stymied plans to send aid to ethnic Albanians near Malisevo, a former stronghold of the secessionist Kosovo Liberation Army, where thousands of people sought shelter in the woods after the attacks of recent days.

"We cannot go into a battlefield," said a UN spokesman, Kris Janowski.

There were no immediate details available on the latest clashes. But the pro-Albanian Kosovo Information Center said Serbian forces were attacking central Kosovo from the direction of Shtica and near a road that leads to Likovac, a guerrilla stronghold.

The report said Drenica, the biggest area controlled by the ethnic Albanians, was "fully blocked" by the Serbs and speculated about heavy casualties.

The ethnic Albanian center also said 2,000 civilians tried to flee over Mount Prokletije to Montenegro overnight but Serbs opened fire on them.

It was not clear whether there were any victims.

Christopher Hill, the U.S. ambassador to neighboring Macedonia, ventured to battered Orahovac, a town captured by Serbs last week, to assess the conditions for a return of refugees. "Some people have begun to return, but if we're going to have more people returning, we have to improve the conditions very quickly," he said. (AFP, AP)

## KOSOVO: Confusion on How to Respond

Continued from Page 1

series of demands on June 13 by members of the Contact Group of six Western nations concerned with the Balkans has never been fulfilled, including a call that the Belgrade government "cease all action affecting the civilian population," permit an unimpeded supply of humanitarian aid to the region and allow continuous monitoring of the events in Kosovo by diplomats.

Two and a half months later, such Western saber rattling, which culminated in a highly publicized five-hour demonstration of NATO air power over nearby Albania and Macedonia, has not been repeated.

And the angry diplomacy of a month ago, when Britain proposed a United Nations Security Council resolution that would have cleared the way for possible military strikes, ebbed and never flowed again.

While rhetorical expressions of Western concern have come and gone, one of the many players in this diplomatic and military tangle has never faltered: Slobodan Milosevic, president of rump Yugoslavia, has, through diligent but consistent effort, been able to place the military leaders of the insurgency in a vise. Now, he is beginning to turn the handle.

In the last few days, more than a dozen villages formerly held by the rebels have been shelled into submission — or the state of destruction and depopulation that counts for submission.

Jablаница and Smonica, villages in western Kosovo that had been furiously fought over, fell to paramilitary police units on Monday. A highway between the capital, Pristina, and the town of Prizren came under police control in the afternoon, after a series of battles destroyed houses along the route.



Ethnic Albanians, who make up 90 percent of Kosovo's population but control none of its levers of power, have an explanation for what they see as a recent disastrous turn of events.

It is due, they claim, to "the green light" — an alleged secret decision by Western governments to support a vigorous assault on the Kosovo Liberation Army so its extremist leaders will lay down their arms and sign a deal that grants Kosovo some autonomy — but not the independence that most of the population craves.

U.S. officials deny that any Western nation could have made such an encouraging offer to President Milosevic, a man who the State Department spokesman, James Rubin, recently declared had "done great damage to the world and his country."

They say that the lack of action to stop the Yugoslav assault cannot be explained so simply. Rather, they say, its roots lie in several factors.

The Yugoslav government initially said that the principal aim of its current offensive was to regain control of the major highways in Kosovo, a goal that many Western military officials said they considered reasonable. "Every nation has the right to control its highways," said a high-ranking U.S. official as the offensive got under way.

But in Kosovo, the idea seems absurd — or at least impractical. The highways run through remote canyons and hills that can be readily seized by the rebels, however briefly.

As a police commander on the Pristina-Prizren road said with a sigh: "Every day we fight to get it, and then during the night the KLA takes it back. We are fighting again to get it again."

Moreover, last week's offensive not only targeted highways but sought to crush every major rebel headquarters and capture or kill as many rebels and sympathizers as possible.

Serbian forces overran the town of Malisevo, a rebel stronghold. They are continuing the siege of another at Junik.

The Serbs have cast their action as having been provoked by the Kosovo Liberation Army and as being aimed solely at defeating it.

At the outset of the offensive, for example, rebel units were said to have tried to take over Orahovac, which the Serbs attacked with overwhelming force.

It was hard, one senior U.S. official said, for the Clinton administration to criticize President Milosevic's forces for trying to hold on to the town.

Perhaps the chief reason Western governments have been reluctant to intervene to halt the offensive is that none shares the aspiration of virtually every ethnic Albanian in Kosovo — to win an independent state.



Richard Butler speaking to reporters in Bahrain on Tuesday after talks with Iraqi officials collapsed.

## IRAQ: Chief UN Weapons Inspector Leaves After Talks Fail

Continued from Page 1

that they had no further information on the stalled talks and declined to speculate whether the show of obstinacy by the Iraqis was a ploy to rally support against Mr. Butler, whose frank style they dislike.

The Iraqis once again staged a funeral procession for 35 Iraqi children outside the building where Mr. Butler and Mr. Aziz met. Their parents said that the children had died because of sanctions.

The Iraqis accused the United States of "wrecking" the program under which limited oil sales are permitted to pay for food and medicine. UN officials countered that a loosening of the sanctions had increased oil sales sharply and allowed hundreds of millions of dollars in medical supplies to reach Iraq. They said it was the Iraqi government that recently reduced a UN proposal to raise caloric intake in food distribution.

The Iraqis have been encouraged by Russia, France and China to hope for a

phasing-out of sanctions should the Security Council acknowledge that every detail about Iraqi weapons will never be known and that enough progress had been made to warrant a relaxation.

In June, Mr. Butler, under pressure from the Security Council, provided Iraq with a "road map" of steps to take to meet his disarmament requirements.

The collapse of this round of talks leaves little room for averting tensions when sanctions are reviewed by the Security Council in October.

## BABIES: 2 Infants Were Switched and 2 Families Face Dilemma

Continued from Page 1

"I've lost so many people in my family, I'm kind of numb," said Linda Camden, the cousin of Rebecca's father, Kevin Chittum, saying she cried when she saw the resemblance between Rebecca and Paula Johnson. "We've had a lot of tragedy in the family. We've been through so much."

On Monday, relatives of Rebecca — who have been taking care of her since the crash — said they wanted to keep the child. They also said they had been told that Paula Johnson feels the same way and does not want to uproot the children.

Paula Johnson's attorney was quoted as saying that "all the parties have come together." There were indications that each family would be permitted to develop a relationship with the children.

"We anticipate a situation where privately the families, working together, will be able to resolve the situation," Michael Irvine, the lawyer representing the Chittum relatives, said Monday. "The families are saying they want to do what's best for these two children."

At a press conference Tuesday, Ms. Johnson said no decision had been made on whether the two girls would be exchanged. The Associated Press reported from Charlottesville. She said she hoped to work out the question of custody and visitation rights with the extended family of Rebecca Chittum, and that she wanted only what was best for the children.

Officials at the University of Virginia Medical Center, shown Paula Johnson's test results last month, determined that

Ms. Johnson's baby and another girl born on or about the same date at the hospital were switched at birth, despite security measures that normally include coded identification bracelets worn by mothers and their babies.

A criminal inquiry has been opened by local authorities.

In a statement Monday, Ms. Johnson said she recalls Whitney Rogers, who raised Rebecca with Mr. Chittum and was killed in the car crash, from their brief time together in the maternity ward three years ago. She said she looked forward to meeting privately with Rebecca and her relatives.

"Words cannot express the way I felt when I learned Sunday night about my biological child," Ms. Johnson said. "I remember Whitney from the hospital as a warm and enthusiastic person. My heart goes out to the families for their losses. Their pain is more than anyone should have to bear."

If Paula Johnson decided to press for custody of both her biological daughter and the child she has raised for the last three years, legal experts say she might well win custody of both.

Officials at the University of Virginia, meanwhile, said they do not know how or why the switch happened, but they insisted again that it was not an accident.

"We are 99.9 percent sure that it did not happen accidentally," said Robert Cantrell, vice president and provost of health sciences for the university. Mr. Cantrell said he based his assertion on hospital records and his confidence that employees carefully followed the approved procedures.

Lawyers for the Chittum and Rogers families challenged the hospital's assertion that foul play was likely. They said they have seen or heard of no evidence that would suggest something like that happened.

The lawyers also said their clients do not remember anything amiss with the bracelets that babies and mothers are supposed to be given at the hospital shortly after birth. They said the family has a videotape of the day Rebecca was born, showing the bracelets being put on.

Questions about the bracelets had been raised last week by Paula Johnson, who said a bracelet was not placed on her baby in her presence in the delivery room, a violation of hospital policy.

Doctors at the hospital said medical records showed that identification bracelets were put on both mother and daughter, and procedures call for the bracelets to be attached at the same time.

The records do not specify that the bracelets were attached at the same time; there is simply a notation saying bracelets were attached, hospital officials said.

More than a week ago, university officials visited members of the Rogers family to break the news and take a blood sample.

Mary Watts, Rebecca's great-aunt, said she was devastated when she learned the news from Rosa Lee Chittum, Kevin's mother.

"How can all this keep happening to one family?" Mrs. Watts recalls she asked Chittum. "She said, 'We hope it's not true.'"

## CLINTON: Chief Justice Denies Appeal on White House Lawyers

Continued from Page 1

made, it would take the wind out of Mr. Starr's investigation and greatly improve Mr. Clinton's chances of escaping impeachment proceedings.

Reuters reported that the overwhelming majority of Democratic officials it had interviewed, including senior aides and consultants, said that it was crucial for Mr. Clinton's political survival that he not lie in his testimony on Aug. 17.

It quoted a Democratic consultant, Tony Podesta, whose brother, John Podesta, is a senior White House official, as saying that most Democrats in Congress wanted to stick by Mr. Clinton

but also wanted the affair resolved well before the election.

"If this blows up in September or October, most members won't know where to go or what to do," he said. "Their first instinct will be self preservation."

Chief Justice Rehnquist's decision on Tuesday represented the latest of several court victories for Mr. Starr. The chief justice accepted a lower court's finding that government lawyers, whose ultimate employer is the taxpayer, not the president, must respond to investigations of possibly criminal matters.

The White House had contended that a president's confidential conversations

with White House lawyers were protected by attorney-client privilege. Charles Ruff, the chief White House counsel, said that attorney-client privilege "is a bedrock principle of our legal system."

But Justice Rehnquist supported the appellate panel's finding that "the public interest in honest government and in exposing wrong by government officials" ought to prevail over any presidential claim of privacy.

On July 17, Justice Rehnquist upheld a lower court's finding that Secret Service agents could not invoke a "protective function" privilege to avoid testifying about what they had seen or heard at the White House.

## Palestinians Reject New Israeli Plan On Pullback

The Associated Press

JERUSALEM — The Palestinians have rejected an Israeli proposal to make part of a West Bank withdrawal a restricted "nature reserve" with no Palestinian police presence, leaving it unclear Tuesday whether the sputtering peace talks would go on.

The president of the Palestinian Authority, Yasser Arafat, said that Israeli negotiators brought nothing new to a meeting Monday night and that the Palestinians were "studying" whether to continue the talks.

Speaking in the West Bank town of Ramallah, Mr. Arafat said the Israeli proposal was "very far" from the existing Israel-Palestinian agreements or from an American initiative for an Israeli withdrawal from 13 percent of the West Bank.

Mr. Arafat's spokesman, Nabil Aboudeneh, called Monday's meeting "a waste of time."

But Israel's prime minister, Benjamin Netanyahu, said in Jerusalem that the Israelis had presented "substantive" proposals to the Palestinians that he believed could bring the talks to a conclusion. "But they have different calculations on their side," he said.

Mr. Netanyahu and other Israeli officials did not elaborate on the proposals.

The chief Palestinian negotiator, Saeb Erekat, and the Israeli envoy, Yitzhak Molcho, met for several hours Monday night in Jerusalem but did not speak to reporters afterward. Mr. Erekat briefed Mr. Arafat on the talks late Monday night.

After months of stalemate during which the United States failed to win Israeli backing for a 13 percent withdrawal, Israel and the Palestinians returned to the negotiating table two weeks ago.

A Palestinian negotiator, Hassan Asfour, said that proposals like Israel's latest would "lead to the end of talks" and warned, "If the Israeli proposals stay along this line, then there is no need for further meetings."

### BRIEFLY

#### Saudi King Gains After Colon Surgery

RIYADH — King Fahd of Saudi Arabia will be discharged from a hospital in "two or three days" after minor surgery for an inflamed colon, a Saudi official has reported.

"The king's health is good," the official said.

The king was hospitalized Sunday. King Fahd, believed to have been born in 1921, has reigned for 16 years. (AFP)

#### Abacha Aide Held On Fraud Charges

LAGOS — Ismaila Gwarzo, the top national security adviser to General Sani Abacha, the late Nigerian dictator, has been arrested and charged with widespread fraud and corruption, a Lagos newspaper said Tuesday.

His arrest came a month after he was dismissed by Nigeria's new military leader, General Abdulsalam Abubakar.

General Abacha died in Lagos of an apparent heart attack in early June. (AP)

#### Colombian Leftists On the Offensive

BOGOTA — Leftist rebels unleashed a wave of attacks overnight, making a show of strength before the inauguration of a new Colombian president, leaving at least 27 people dead and dozens injured, authorities said.

Guerrillas detonated car bombs in major cities, stormed villages, attacked police posts and pounded army bases with mortar fire in half the country's 32 provinces.

The dead included civilians, security force members and rebels, sources in the army and police said.

President Ernesto Samper's four-year term ends Friday and he will hand over power to Andres Pastrana.

The country's main guerrilla groups refused to negotiate an end to their uprising with the Samper administration, but they have said they will negotiate with Pastrana officials. (Reuters)

#### U.S. Finds Abuses At Mexican Factory

MEXICO CITY — For the second time in 1998, the U.S. Labor Department has found evidence of labor rights and safety abuses at Mexican factories.

The alleged violations at the Itapasa auto parts plant in Mexico City, a subsidiary of Connecticut-based Echlin Inc. will be discussed by labor secretaries from the two countries. (AP)

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Edward Peel and Sue Johnston in Simon Bent's "Sugar Sugar" at the Bush Theatre.

## Believe in Miracles? Try 'Cabaret'

By Sheridan Morley  
International Herald Tribune

LONDON — In the reviewing business miracles don't come that often, so to get two in a traditionally slow August week calls for some sort of celebration. The first miracle can be found an hour or so due west of London. Outside Newbury, the tiny Watermill Theatre (alongside the Mill at Sonning, one of the two most enchanting riverside playhouses in the world) has recently been struggling for its life against a highway and a funding gap. The highway is also now on its doorstep, but the local council, perhaps already feeling guilty about what it has done, has at least guaranteed the theater's financial future through the millennium, and the show currently playing there is far and away the best version of John Kander and Fred Ebb's "Cabaret" that I have ever seen.

And I must, over 30 years, have seen at least a dozen, including the original 1966 Broadway "Cabaret," overblown and over-dominated by the great Lotte Leeya who kept inadvertently reminding us that it wasn't quite as good as "The Three Penny Opera" by her late husband, Kurt Weill. Theodor Loeb, who was the 1969 London version, not helped by the absence of Joel Grey, and most recently the Donmar Warehouse version, which is now running on Broadway but perhaps overly fixated on the Nazi subplot.

What the director John Doyle has realized is that "Cabaret" is about so much more than just the coming to power of the Nazis in 1934. The subplots involving Sally Bowles, and Cliff, and the Master of Ceremonies, and Herr Schultz and Fraulein Schneider all had equal importance in Christopher Isherwood's original "Berlin Stories," and Doyle has now restructured and realigned the show to look more like a play with songs than ever before. Most impressive of all, he has found a cast of only eight, all of whom double and

treble roles while also playing all the instruments in the nightclub's pit band.

On the Watermill's tiny stage, now converted to theater in the round with the audience sitting, as they were at the Warehouse, at nightclub tables, we are closer to "Cabaret," and the results are just dazzling. By returning Schultz and Schneider to center stage so that we learn to care more about the old grocer and the derelict landlady than we ever have, and by running the score into the plot with no applause allowed after any of the numbers, Doyle has revolutionized "Cabaret" and turned what was always a great musical into a masterpiece. Mike Alfred and Karen Mann as Schultz and Schneider, Simon Walter as the evil Master of Ceremonies and Jo Baird as a haunting, waiflike Sally Bowles made of silk and steel all give performances that have never been and I believe will never be bettered.

There have been a lot of "Cabaret" productions around lately, and we are promised yet another for the autumn, but Doyle seems here to have created the first truly music-theater ensemble I have ever seen in this country, and it would be heart-breaking if they did not get the chance to play to a wider audience. Come to this "Cabaret," old chum, for you will never see another quite like it.

The other miracle is in central London, where Willy Russell's "Blood Brothers" is celebrating its 10th anniversary. When it first opened, I wrote that the show was unmissable and unbeatable, but I'm not sure that even I in my original enthusiasm would have estimated its run at 10 years and still counting. The wonder of "Blood Brothers" is that, like "Cabaret," it is essentially a play with music rather than a musical, and indeed the author, Willy Russell (more famous for "Educating Rita" and "Shirley Valentine"), has only ever written one other, the Beattie parody "John, Paul, Ringo and Bert."

And although it now enters the London long-run musicals chart behind only the trio of eternal Lloyd Webbers ("Cats," "Phantom of the Opera" and "Starlight Express") and of course "Les Miserables," "Blood Brothers" was originally a sleeper that kept coming and going to and from London before eventually settling at the Phoenix. Its roots are deep in the myth about twins separated at birth, the one that always served the Greeks and Shakespeare well enough; and although it is unmistakably set in the Liverpool of the early 1980s, "Blood Brothers" remains almost alarmingly topical since one of its central issues of poverty, unemployment and class warfare have gone away in the meantime.

This is in fact the closest we shall ever get to an English "Three Penny Opera," a harsh folk tale about love and death with up to a dozen brilliant, brittle numbers, which the producer Bill Kenwright and his director Bob Tomsoo have kept as sharp as ever they were a decade ago. Lyn Paul now leads a wondrous oew cast.

And finally, at the Bosh, Simon Bent's "Sugar Sugar" is a weird mix of Joe Orton and Harold Pinter, with a bit of Terence Rattigan thrown in for good measure. Set in a Scarborough seaside boarding house out of season, it consists of some marvellously funny characters all in search of some sort of a plot. Some of these characters are stock (the sex-starved landlady for instance, wonderfully played by Sue Johnston), while others are genuinely new comic creations, like the misanthrope who could fill supermarkets with the people he wants dead.

The plot, when it does come in Act Two, all seems to happen at once in kind of a rush, but there's no doubt (on this evidence and his earlier "Goldhawk Road") that Bent is that rarity, a oew comic dramatist of considerable promise in characterization if not storytelling.

## Cool Music and Hot Climes

By Mike Zwerin  
International Herald Tribune

PARIS — Now that more and more Americans have been moving to hot climes, somewhere along the line the musicians among them got the idea that they could create new hot-clime music.

Except maybe for Morris dancing, the roots of the popular music of our day were nourished by hot weather. Its varying shapes worked their way up out of Africa, the Caribbean and Brazil to New Orleans, the Mississippi Delta and Texas. The branches grew new roots like a tropical sea grape tree and went north to market.

But daily life today in the southern United States coexists primarily of sprits by temperate people between air conditioned spaces. There is no reason to expect authentic hot music to be born in artificially cooled air. Which does not stop people in Miami, with its peppy influx of Latin culture, from claiming just that.

It was only a matter of time — rapping in Spanish with Latino licks was inevitable. How long this takes to be seen, it remains to be seen. Right now it's mostly just fashion. With the air of somebody on the inside track, Freddy Garcia, aka Mangu, describes his new self-titled album as "hot weather music."

He was inspired by Miami Beach. The air-conditioned recording studio was a block from Ocean Drive. The recording process was "real spontaneous," he says with a mock-lecher smile. "You can't help but be inspired by all those fine hikin's."

Mangu wants kids up in Alaska to put the record on and say "I want to go to Miami. Now. The party is not down there." He respects the extreme summer heat in Miami. Sun visors off, folks. Anything that strong has to be saluted.

People ask Mangu: "Are you the new Miami sound?" He laughs. "No. Lots of new sounds coming out of Miami. They are in fact shuffling more than new. New music today tends to be more interesting to read about than to listen to. Young musicians cannot actually do what they talk about doing."

Mangu signed with Island Records at the age of 18 (he's 23). His new album is a mixture of hip hop with such island music as Jamaican reggae, Dominican merengue (a son of fast rumba) and the Cuban roots music son. (The term "salsa" describes a commercial American hybrid. The industry wants to commercialize it even more and make it more American.) The essence of his music, Mangu says, Caribbean. He does not claim to be a pioneer.

He says he was out of the first one to play Cuban hip hop. His, excuse the expression, rap appears to have been well coached and he was a good learner. He does not try to come across as tough and street-smart, like up and coming stars in his field often do. The smile is too vulnerable, it would not be convincing. It's more like a young entrepreneur just beginning to learn how to make friends and money making music.

His promo tour goes from Paris to Miami for one day to change planes and underwear, and then it's off to Buenos Aires for the first time. He has already played Colombia, Venezuela and Costa Rica. The audience response there was, he says, "cool!" — meaning hot out cold. This is his third trip



Freddy Garcia, aka Mangu: Inspired by Miami Beach.

to France, and he returns in October for a 21-date tour.

Having lived in the Bronx through the age of 13, he still has the accent. When the family moved to Hialeah, north of Miami, he was amazed to discover that he could walk for miles around his house and not speak English. Miami encouraged him to be proud of his Latin roots. He had not exactly advertised them in the Bronx. When he was 18, he heard that Joe Gallo, producer of the Miami Sound Machine, was looking for someone who could rap in Spanish on a tune written by the pianist Paquito Hechavarria. Mangu thanks Gallo (now his producer) for showing him lots of ins-and-outs. He listened to reggae rap, he had a brief career as a hip hop dancer. He experimented with jungle and trip-hop. (He washed cars.)

Gallo's concept involved a salsa piano player with a rapper. He asked his engineer Cesar if he knew anybody who could rap in Spanish. By the time Mangu met him, Gallo had already auditioned more than a dozen people, none of whom pleased him. Mangu wrote and sang some verses for him. He was laying back doing what he calls "research," listening to the Fania Allstars and James Brown and early Afro Cuban bands like Perez Prado and Machito. ("Boy, those cats were intense. It was real cool for me to learn about them.") Wheo Gallo called, he was ready.

Their single "La Playa" was a hit in 1993. The rest of the album took four more years to finish. Promoting it now, Mangu has been traveling with a four-piece band including two percussionists and a bassist. They are all older than he is, they come from the old school.

Mangu loves it when he hears his older musicians jamming to hip hop: "They can really throw down some spicy rhythms on top of hip hop drums. It's like, 'All right! So you guys are enjoying it too.' In many ways I think they are younger than I am. What spirit! The more I travel with them the more I learn. Our next album will be more mature. I'd like to take it to a deeper level." Meanwhile, it's party time. The track "Calle Luna Calle Sol," an "homage to Cuba," on the album features the legendary Dominican singer, percussionist and co-founder of Fania Records Johnny Pacheco.

MANGU cannot help being attracted to Yankee fusions like salsa/house and merengue/house. It is all melding into a planetary pop music anyway. Like brand names and stock markets. He's not even trying to avoid crossing over any more. Every now and then, he goes to visit the Dominican Republic, where he discovers new argot and it sneaks into his Spanish rap: "The older generation down there is preserving the tradition, but there are also young people who left and came back home again. And they bring a totally different lifestyle and language. In many ways, the Dominican Republic is beginning to resemble the States."

Sitting on the terrace of a cafe, looking at the Louvre through a chilly summer drizzle, he seems happy to be wearing a pullover. "Unbelievable!" he exclaims. "I'm in Paris drinking a glass of Cognac. Life is good. I'm getting paid to express myself. It's like, wow! Where am I going to be tomorrow? Seeing things, hearing things, learning things. Cool!"

## BOOKS

### THE GARDEN AND THE WORKSHOP: Essays on the Cultural History of Vienna and Budapest

By Peter Hanak. 249 pp. \$29.95. Princeton.

Reviewed by Michael Henry Heim

THE goal of these fascinating essays — the swan song of the late Peter Hanak, a preeminent Hungarian cultural historian of Central Europe — is to clarify the relationship between Vienna (the "garden" of his title) and Budapest (the "workshop") in culturally vibrant but politically stagnant Austria-Hungary at the turn of the century. In so doing, he also tackles the often posed riddle: why Austria? How did it happen that, in the decade or two before World War I, Austria-Hungary gave the 20th cen-

tury a disproportionately large number of its seminal thinkers and artists: Freud and Wittgenstein, Kafka and Rilke, Schoenberg and Bartok? (Hanak, with characteristic wit, makes a case for including Einstein and accords him Austro-Hungarian citizenship after the fact, tracing his rejection of "absolute" time and space back to the phenomenalist relativity of the quintessentially Austrian Ernst Mach.)

Although no one has yet solved the riddle, Hanak comes closer than most by establishing "a significant correlation between social marginality and cultural creativity." Like many, he invokes the multiethnic character of the Dual Monarchy and the alienation it fostered but goes on to argue that all the fine minds in question rejected the Austrian establishment and, finding no social or political movement to replace

it, struck out on their own. In his interpretation Austria is less greenhouse than weed patch, but he resolves the contradiction between cultural vibrancy and political stagnation, if not the entire riddle.

What then does Hanak have in mind when he plays off Budapest's role as workshop against Vienna's as garden? He identifies the garden, a place of repose for body and soul, with the concern for the continuity of life and death permeating Viennese fin de siècle, "decadent" culture. A continuity "symbolized by dreams, or Psyche, and love, Eros," it makes Freud very much a man of his place and time. He identifies the workshop with the concern for community and public life among the Budapest avant-garde in the same period, a concern that led the poet (but also journalist — the combination is telling) Endre Ady to proclaim Hungary a country where only "magnates, priests, and donkeys can live." Ady, clearly one of Hanak's heroes, railed against Hungary's idle, arrogant, hide-bound aristocracy (the "donkeys" of Ady's formulation) and the class he was born into, advocating a return to an untamed Hungarian style (for example, the language of 17th-century Calvinist preachers) plus the assimilation of European modernism. Bartok accomplished an analogous feat in music, rejecting catchy pseudo folk-tunes in favor of authentic Hungarian pentatonic melodies and integrating

them into a contemporary European framework. Hanak's essays thus do more than illustrate his thesis; by filling in the cultural context to which the figures he treats belonged, they provide new perspectives on the figures themselves.

They also accomplish something quite different. Hanak modestly introduces the essays as the scholarly equivalent of outtakes: pieces he deemed unsuitable for a volume in a formal "History of Hungary." And in fact, not all the essays deal with cultural titans. Some of the most interesting — and revealing — passages come from discussions of such mundane matters as who lived on what floor and took up how many rooms in the apartment houses (most of which are still standing) that turned Budapest into a modern city in the late 19th century, how Hungarians assimilated their Germans and Jews (who together with the apartment houses turned Budapest into a modern city). There are fine chapters on the social and political function of the opera (unlike the opera, it brought together the most disparate social classes and incorporated a modicum of satirical commentary) and on letters from peasant wives to soldier husbands during World War I.

Michael Henry Heim, who translates fiction and drama from a number of East-Central European languages, wrote this for The Washington Post.

## BEST SELLERS

The New York Times		
The list is based on reports from more than 1,000 bookstores throughout the United States. Weeks on the list are not necessarily consecutive.		
FICTION		
Book	Author	Weeks on list
1 POINT OF ORIGIN, by Patricia Cornwell		1
2 I KNOW THIS MUCH IS TRUE, by Wally Lamb		2
3 SUMMER SISTERS, by Judy Blume		4
4 THE KLOONE AND I, by Danielle Steel		5
5 BRIDGET JONES'S DIARY, by Helen Fielding		3
6 MESSAGE IN A BOTTLE, by Nicholas Sparks		8
7 LOW COUNTRY, by Anne Rivers Siddons		6
8 A WIDOW FOR ONE YEAR, by John Irving		7
9 MEMOIRS OF A GEL, by Arthur Golden		14
10 COLD MOUNTAIN, by Charles Frazier		12
11 THE LAST FULL MEASURE, by Jeff Shaara		11
12 THE ELEVENTH COMMANDMENT, by Jeffrey Archer		10
13 UNSPEAKABLE, by Sandra Brown		9
14 QUOTE A YEAR FOR PLUMS, by Bailey White		6
15 THE STREET LAWYER, by John Grisham		13
NONFICTION		
1 TUESDAYS WITH MORRIE, by Mitch Albom		2
2 A PIRATE LOOKS AT FIFTY, by Larry Green		1
3 A WALK IN THE WOODS, by Bill Bryson		3
4 ANGELA'S ASHES, by Frank McCourt		5
5 A WOMAN SWIMMING, by Malachy McCourt		4
6 TITAN, by Ron Chernow		7
7 THE MILLIONAIRE NEXT DOOR, by Thomas J. Stanley and William D. Danko		6
8 SHIP OF GOLD IN THE DEEP BLUE SEA, by Gary Kinder		8
9 WE ARE OUR MOTHERS' DAUGHTERS, by Cokie Roberts		9
10 CONVERSATIONS WITH GOD: Book 1, by Neale Donald Walsch		14
11 THE GIFTS OF THE JEW, by Thomas Cahill		16
12 MIDNIGHT IN THE GARDEN OF GOOD AND EVIL, by John Serraldi		13
13 THE MAN WHO LISTENS TO HORSES, by Mervyn Roberts		12
14 PHILISTINES AT THE HEDGEWORTH, by Steven Glatzer		11
15 THE TOLDO OF SEX, by Thomas Moore		1
ADVICE, HOW-TO AND MISCELLANEOUS		
1 SUGAR BUSTERS, by H. Leigh Steward et al.		1
2 MARKS AND VENUS STARTING OVER, by John Gray		2
3 MARILYN HENNER'S TO HEALTH, MAKE OVER, by Marilyn Henner with Laura Morton		3
4 THE 5 STEPS TO FINANCIAL FREEDOM, by Suze Orman		4

## A 'Tristan' for the Millennium

By Anthony Tommasini  
New York Times Service

SEATTLE — A promising new production of Wagner's daunting "Tristan und Isolde" by an important opera company is always an event. But what brought critics from across the United States and abroad to the Seattle Opera on Saturday night for the premiere of the company's oew production of arguably Wagner's greatest opera was the chance to learn if, for the first time since the days of Birgit Nilsson and Jon Vickers, two singers have arrived who can truly make a claim to these incomparably demanding touchstone roles.

This was the first staged performance of Isolde by the British soprano Jane Eaglen, who has already established herself as a major interpreter of Brunnhilde in the "Ring" operas. It was similarly the first stage performance of Tristan by the Canadian tenor Ben Heppner, who is already a noted interpreter of Tannhauser, Lohengrin and Walther. The expectations were high, and the pressure on them must have been intense. Vocally they did not disappoint. These fine artists have waited until the right ages to take on these roles: Eaglen is 38 and Heppner is 42, old enough to have depth, young enough to sound fresh and leave many years for enrichment.

The Seattle Opera has been an important place for both singers, and the company came through for them, providing a noted conductor, Armin Jordan, generous rehearsal time and a provocative production directed by Francesca Zambello, which will very likely engender divided reactions.

Eaglen understands that Wagner must be sung basically with the tried-and-true principles of the bel canto tradition: a sense of long line, evenness of vocal production and smooth legato phrasing. But you must have uncommon stamina and soaring power for Isolde, and Eaglen is the first soprano since Nilsson to make singing the role seem natural. She has warm, vibrant sound and full-voiced high notes that slice easily through the thick orchestration. Most impressive, however, is the elegance of her softer singing, the richness of her pianissimos.

Jane Eaglen and Ben Heppner can make a claim to calling these incomparably hard roles their own.

and he sings the role with ardor, poignancy and clear German diction. He also, of course, is a hefty person. But it does not seem to impede the vitality and trim of his singing.

Although a complete uncult version of the opera was announced, two cuts, mostly from Tristan's music, which are often used, were insisted upon by the general director, Speight Jenkins, after the dress rehearsal: a long passage in Act II sometimes called the "Tag und Nacht" episode, and part of Tristan's long, exhausting monologue in Act III, about 11 minutes in total. Jenkins and Heppner want to restore the cuts later, but for this first try caution seemed advisable. Jenkins pointed out that Lauritz Melchior, the Tristan of the century, probably never sang the role without cuts.

No matter. Heppner will surely gain in confidence in the role. A real Tristan has arrived.

Zambello worked with her frequent collaborators, the set and costume designer Alison Chitty, and the lighting designer Mimi Jordan Sherin. The production, typical of Zambello, is a mixture of symbolism and nonperiod

realism. The ship on which Tristan transports the Irish princess Isolde to the Cornish king, Marke, whom she is being made to marry, is a massive, gray, stage-filling freighter. The walls slide apart to reveal Isolde, a captive below; above sailors swab the deck with mops, and Tristan broods, conflicted between loyalty to his king and untapped love for Isolde. Clearly, since this is an opera about internal emotions not external actions, Zambello and her team wanted to frame the lovers in smaller spaces within the larger stage. But the framing device seems the singers in and calls attention, paradoxically, to Eaglen's lack of mobility.

Sometimes the stage effects are just that — effects, the most intrusive of which being the real sizzling flames that leap up and surround the lovers at the climactic moment of their drug-assisted passion. It is a smoky, silly and somewhat smelly effect that distracted our attention from one of the great musical moments in all of opera.

Some of the imagery was striking, and Zambello remains an excellent director of singing actors. She did wonderful work with the excellent young American mezzo-soprano Michelle De Young, who brought a sisterly tenderness to the character of Brangane, Isolde's attendant. And perhaps it took a female director to allow the wounded Tristan and his loyal friend Kurvenal, impressively sung by the bass-baritone Greer Grimsley, to be so physically tender with each other.

Jordan conducted a spacious and tellingly shaped performance. The playing of the orchestra, though sonorous and full of character, sometimes lacked crisp rhythmic articulation. But the sweep of the conception was always involving.

The fine English bass Peter Rose was moving as King Marke. James Cornelison as Melot, Archie Drake as the steersman and Doug Jones, doubling as the sailor and the shepherd, gave solid performances. The most important news remains the emergence of the exciting new Tristan and Isolde. The audience ovations were deservedly ecstatic. Eaglen and Heppner are to sing the roles at the Metropolitan Opera in the 1999-2000 season.





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130	130
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The 2,600 most traded stocks of the day.  
Nationwide prices not reflecting late trades elsewhere.  
*The Associated Press.*

**Continued on Page 16**



## THE AMERICAS

## Jury Reviews Archer Daniels Video

By Kurt Eichenwald  
New York Times Service

CHICAGO—Top executives from two of the world's most powerful food companies sat at a hotel conference table in Irvine, California, and for several hours haggled over data they were providing each other about sales of a feed additive.

The October 1993 lunch meeting, which brought together two officials from Archer Daniels Midland Co. and two from Ajinomoto Co. of Japan, was no ordinary exchange, according to the U.S. government, but the critical stage in a conspiracy to fix prices of the additive, known as lysine. And unknown to all but one man in the room, every word was being videotaped.

On Monday, more than three years after government raids disclosed the existence of a huge price-fixing investigation, prosecutors played that videotape before a federal jury that is hearing the criminal price-fixing case against three former Archer Daniels

executives. All three have pleaded not guilty.

The tape has already played a critical role in reshaping the future of Archer Daniels, the politically powerful grain giant. For it is the crucial evidence against one defendant, Michael Andreas, the son and former heir apparent to the company's chairman, Dwayne Andreas.

Also charged in the case are Terrence Wilson, the former head of the company's corn-processing division, and Mark Whitacre, the former head of its bioproducts unit, which produces lysine.

The government has already secured guilty pleas from some of the executives involved in the conspiracy and each of the companies; Archer Daniels agreed to pay \$100 million in 1996 to settle price-fixing charges.

Mr. Whitacre served as a government informant and secretly recorded his colleagues over more than two years. But he became a defendant in the case after the government charged that

he had violated his cooperation agreement by illegally taking millions of dollars from Archer Daniels through a complex fraud.

Indeed, lawyers for Mr. Andreas and Mr. Wilson have argued that Mr. Whitacre manipulated investigators and Archer Daniels officials to create evidence of a conspiracy. They maintain that many of the recorded conversations involve either innocent business discussions or elaborate efforts to trick Asian competitors into providing information that would allow Archer Daniels to gauge the size of the lysine market.

At the hearing on Monday, which focused on the price-fixing allegations, prosecutors played an audiotape recorded by Mr. Whitacre in 1993 during a meeting between senior Archer Daniels executives and officials of Ajinomoto. "We have a saying at this company," James Randall, then president of Archer Daniels, said. "Our competitors are our friends and our customers are our enemies."

## Remarks in Tokyo Stem Dollar's Rise

Bloomberg News

NEW YORK—The dollar fell against the yen on Tuesday for the first time in five days after Japanese finance officials suggested they would sell dollars to bolster the yen.

Finance Minister Kiichi Miyazawa said officials may step in to the foreign-exchange market when currency moves become "disruptive." His remarks

## FOREIGN EXCHANGE

stemmed the dollar's gain against the yen.

"The remarks put some caution back into the market," said Jesse Torres, chief currency trader at Bank Austria. "They're afraid that a weakening currency would cause more problems and feel they may need to come in and defend it."

The dollar was quoted at 4 P.M. at 145.150 yen, down from 145.595 yen on Monday.

Some traders expect the yen to resume its decline quickly and view the dollar's drop as an opportunity to buy the U.S. currency cheaply.

Concern that the U.S. and Japanese central banks might buy yen for dollars also was

fueled as Haruhiko Kuroda, head of the Finance Ministry's international bureau, said the yen was "excessively weak." He added that Japan was "ready to take appropriate action" on the yen when necessary "because the currency's weakness was not good for Japan, Asia and the rest of the world."

Many traders and analysts remain skeptical that Japan will sell dollars any time soon. "Why would the Japanese want a stronger yen, from a macroeconomic point of view?" said Tom Arnold, chief currency trader at Dai-ichi Kangyo Bank. "A weaker yen would help exports and help the country get out of a slump."

The dollar was at 1.7717 Deutsche marks, down from 1.7840 DM, ravaged by a sharp decline in U.S. stocks.

"The dollar is moving in sympathy with the Dow," said Rainer Guidon, a manager of foreign exchange at Erste Bank.

The dollar was also at 1.4933 Swiss francs, down from 1.5002 francs, and at 5.9525 French francs, down from 5.9815 francs. The pound was at \$1.6370, up from \$1.6270.

## AlliedSignal Sets Hostile Bid Of \$9.8 Billion to Buy AMP

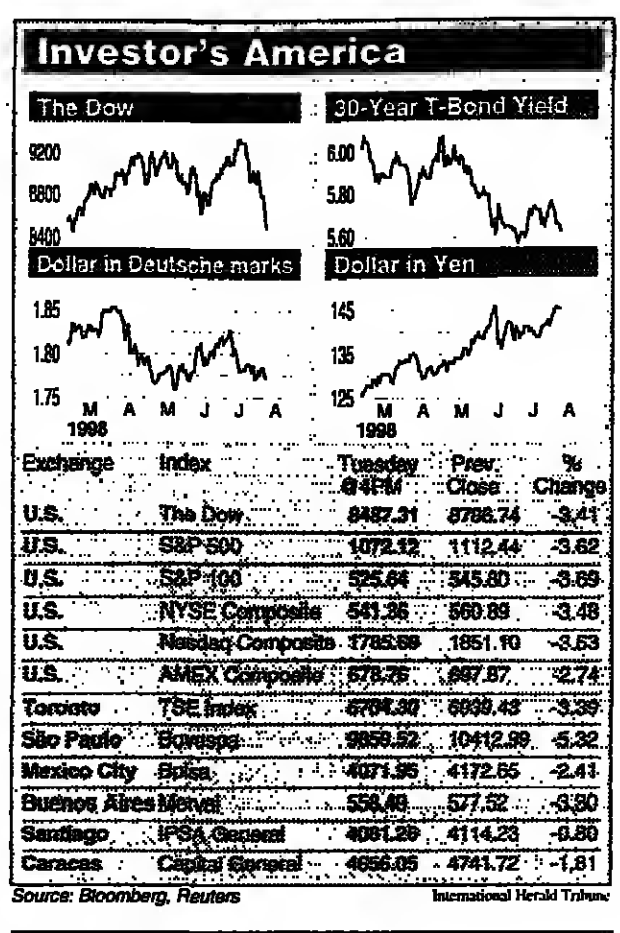
International Herald Tribune

NEW YORK—AlliedSignal Inc. made a hostile bid for AMP Inc. late Tuesday, offering \$9.8 billion for the electronic maker's stock, a 58 percent premium to the year-to-date reached earlier in the session.

Larry Bossidy, chairman of AlliedSignal, said the conglomerate made the public offer "after our requests for discussions were ignored by AMP management." He added that his company "preferred a negotiated transaction with AMP" and indicated that a friendly deal might be achieved at a higher price.

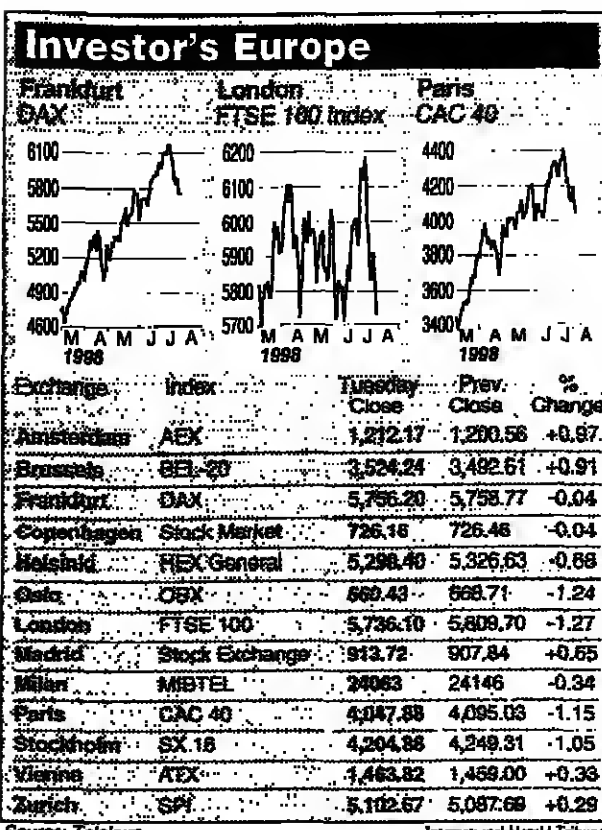
AlliedSignal offered \$44.50 per share for AMP, whose stock reached a 52-year high of \$28.125 before the bid was announced. It said financing was available for the bid, but it did not specify the source, and it also said the tender offer was "subject to customary terms and conditions," which it also did not spell out.

Appealing to AMP's workers as well as its managers, AlliedSignal said "we can offer employees a wide range of career opportunities and the benefit of world-class education programs." Last month, AMP said it would consolidate plants and trim 3,500 positions.





## EUROPE



## Very briefly:

- British Petroleum PLC's quarterly profit fell 20 percent to £695 million (\$1.16 billion) amid the effects of a severely depressed oil market. Pretax profit for the three months ending June 30 compared with earnings of £874 million in the same period a year earlier.
- KLM Royal Dutch Airlines net profit for the first quarter of 1998 rose 12 percent to 212 million guilders (\$106 million) but was dented by Asia's economic crisis.
- The London International Financial Futures and Options Exchange, under attack by a German rival, traded 13.28 million contracts in July, 28 percent down from the same period last year. The July total compared with 18.37 million futures and options contracts traded in July 1997.
- South African Reserve Bank's net reserves fell an unexpected 14 percent in July as it drew more heavily on foreign credit lines to shore up the rand. Provisional gross reserves of gold and foreign exchange fell to 32.6 billion rand (\$5.2 billion) in July from 33.4 billion rand in June.
- Julius Baer Holding AG, Switzerland's third-biggest listed money manager, reported that first-half profit rose 73 percent, more than expected. Net income rose to 186 million Swiss francs (\$122.8 million), or 157.6 francs per share, from 107.5 million francs, or 91.2 francs a share, a year earlier.
- Philips Electronics NV bought the 49 percent it did not already own in Submicron Semiconductor Technologies GmbH from International Business Machines Corp., its partner in the joint venture.
- Saab Automobile AB, the Swedish carmaker that is half-owned by General Motors Corp., registered an 11 percent rise in U.S. car sales in July compared with a year earlier. For the month, 3,106 Saab cars were sold, compared with 2,801 in July a year ago.

## Nat West's Share Price Soars

Increase Fueled by Gains in Banking and Venture Capital

By Tom Buerkle  
International Herald Tribune

LONDON — Share prices in National Westminster Bank PLC soared 10 percent on Tuesday after Britain's second-largest bank announced that after-tax profit rose a higher-than-expected 46 percent to £715 million (\$439.4 million) in the first half of this year.

The increase was fueled by healthy gains in NatWest's core retail and commercial banking activities, a surge in dealing profits and big gains from venture capital operations.

It indicated that the bank was reaping substantial rewards from its decision last year to pull out of the equities business following major losses there and focus on domestic banking.

"It's a good start on our new strategy," said the chief executive, Derek Wanless.

Analysts welcomed the figures

but questioned whether NatWest would be able to maintain the earnings momentum now that the British economy, which it depends on for the bulk of its profits, is slowing markedly.

NatWest's share closed at £11.46, up 107 percent in London. "It's pretty much as good a half year as you're going to get from NatWest," said Neil Baker, an analyst at Dresdner Kleinwort Benson.

NatWest's lagging performance has made it a frequent target of takeover or merger speculation over the last year — speculation that revived last week after the chairman of Lloyds TSB Group, Sir Brian Pittman, predicted that British banking would see a wave of U.S.-style consolidation in perhaps 18 months.

Mr. Wanless dismissed the speculation and said the results proved NatWest could generate strong returns on its own.

"We think there is a lot of value to be created in our business by managing it better," he said.

Pretax profit in the British banking division rose to £555 million in the first half, up 16 percent from a year earlier. The increase would have been greater if not for a £65 million charge to cover potential liabilities for questionable pension advice given in the late 1980s, which has affected most British financial-services companies.

Although costs in the unit have remained essentially flat for 18 months, NatWest's cost-to-income ratio of around 64 percent remains well above the benchmark of 46 percent set by Lloyds TSB.

Analysts also questioned whether NatWest could keep such a tight lid on bad-debt provisions, which fell by £63 million to £207 million. Mr. Wanless said the bank had toughened its lending requirements 18 months ago in anticipation of an economic slowdown.

## Adidas Shuffles Personnel After Losses

Agency France-Press

MUNICH — Adidas-Salomon AG, the German sporting-goods manufacturer, showed Tuesday a net loss for the first six months after allowing for charges arising from the acquisition of Salomon, the French maker of winter-sports equipment.

Adidas-Salomon also removed the head of Salomon in a management shuffle.

A new management was installed

at Salomon with promises that the takeover would turn into a success, amid disappointment at Salomon's performance so far this year and concern about the effects of the economic crisis in Asia. The company said that earnings per share for the full year would not increase.

Adidas-Salomon said it had booked a net loss of 487 million Deutsche marks (\$273 million) from January to June, after taking into account a one-time charge of

723 million DM connected with the purchase of in-process research and development from Salomon. Excluding that charge, net profit grew by 4 percent to 236 million DM and pretax profit by 8 percent to 379 million DM.

Group sales totaled 4.947 billion DM. Compared with the figure for the first half of 1997, which did not include Salomon, that represented an increase of 57.8 percent.

Robert Louis-Dreyfus, the chairman, said at the group's midyear press conference, "We were disappointed by the first six months" with Salomon, "but over the next 18 months, we will prove to both shareholders and management that they needn't regret the acquisition."

A statement Tuesday announced the departure of Jean-Francois Gaudier, Salomon's president. Mr. Louis-Dreyfus is now the new president of Salomon. For the next six to nine months, he and his deputy, Christian Tourneris, "will devote the majority of their time to the management of Salomon," the statement said.

## Profit Up, BASF to Seek NYSE Listing

Compiled by Our Staff From Dispatches

LONDON — BASF AG, which reported a 14 percent first-half profit rise, said Tuesday that it would seek a listing in 2000 on the New York Stock Exchange and planned to adopt U.S. General Accepted Accounting Principles this year.

Juergen Strube, the chief executive of the German chemicals group, also said that Asia's financial

crisis would slash about 500 million Deutsche marks (\$280.27 million) from its total 1998 sales.

BASF reported a net profit rise to 1.62 billion DM in the first six months of the year. Sales rose to 28.74 billion DM from 27.79 billion.

BASF shares fell 50 pfennigs to 80 DM in Frankfurt.

(Bloomberg, Reuters, AP)

## Hard Rock's Net Lifts 'Weak' Results at Rank

Compiled by Our Staff From Dispatches

LONDON — Rank Group PLC said Tuesday that its profit rose 16 percent in the first half, to £78 million (\$126.9 million), as subsidiaries like the Hard Rock restaurant chain and Mecca bingo parlors in Britain showed improved results.

But analysts were disappointed and Rank's shares fell sharply.

Rank's net earnings for the period compared with profit of £67 million a year earlier. Revenue rose to £901 million from £853 million in the first half of 1997.

"This performance, in difficult U.K. trading conditions, highlights the strengths of our major brands," said Andrew Teare, the chief executive. "With our strategy on track and the resilience of our major brands, we are well-positioned for the second half."

Analysts expressed disappointment with the figures.

"It was a weak set of results," said Andrew Burnett, an analyst at Charterhouse Tilney.

"If you strip out the contribution from Hard Rock, the core business

was sluggish," he said, adding that Rank's nightclub and Butlins vacation camps had produced disappointing results.

Earnings at the Deluxe film-services unit rose 45 percent, to £29 million. Profit at Hard Rock rose 15 percent, to £23 million. Earnings at the vacation unit fell 12.5 percent, to £7 million. Profit in the leisure unit fell 6.4 percent, to £44 million.

Shares in Rank fell 19 pence, to 305 pence. Market speculation that Rank might attract a bid from U.S. investment firms lifted the stock on Friday and, analysts said, helped to cushion the fall Tuesday. Mr. Teare had no comment on the speculation.

Rank has started to focus on its major leisure and entertainment brand names, while seeking to cut costs and raise profit margins.

The company is nearing the end of a two-year reorganization, during which it has shed 11 businesses and has funneled money into the leisure divisions it wants to expand. A year ago, Rank sold out of the Rank Xerox photocopying business.

(AP, Bloomberg, Reuters)

## French Bankruptcies Hit a Four-Year Low

Bloomberg News

PARIS — French bankruptcies fell 42 percent in May from April, with fewer companies in all industries going out of business, according to government figures released Tuesday.

The national statistics office, INSEE, said 2,315 bankruptcy decisions appeared in May's official bulletin of civil and commercial announcements, the lowest in four years, compared with 3,989 the previous month.

Fewer businesses are expected to fail as the economy grows by an estimated 3 percent this year, after 2.3 percent growth in 1997. During the past four years, companies have reduced their debt, cut costs and are more profitable, various reports show.

Bankruptcies had risen 22.5 percent in April and dropped 27.6 percent in March. While the monthly figures tend to be erratic, this year's numbers are down from 1997, when more than 4,100 companies went bankrupt every month. Compared with a year ago, bankruptcy decisions fell 8.6 percent in the three months ended February.

INSEE also reported that confidence among construction companies rose in July to its highest since 1990, with more working at full capacity and seeking qualified workers. The industry expects 1998 to be its first year of growth after seven straight years of decline following a cut in public works projects and a stagnant property market.

## WORLD STOCK MARKETS

Tuesday, Aug. 4

Daily prices in local currencies, Tel Aviv

High Low Close Prev.

Amsterdam AEX index 1212.17

Previous 1208.54

ABN-AMRO 31.40 30.80 31.00 31.40

Alcoa 18.20 17.70 18.50 17.70

Anglo 18.20 17.70 18.50 17.70

ASML 54.00 53.50 53.50 53.50

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## Frankfurt DAX

Daily prices in local currencies, Tel Aviv

High Low Close Prev.

Frankfurt DAX index 5754.28

Previous 5754.28

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## Johannesburg All Share

Daily prices in local currencies, Tel Aviv

High Low Close Prev.

Johannesburg All Share index 2754.28

Previous 2754.28

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## ASIA/PACIFIC

# Concern Over Yuan Hits Stocks In China

Compiled by Our Staff From Dispatches

SHANGHAI — China stocks plunged to record lows Tuesday as shaken investors fled a market plagued by worries over a yuan devaluation and poor corporate results.

The index of Shanghai stocks open to foreign investors, or B shares, fell 2.9 percent to a record low. In the southern city of Shenzhen, the benchmark slid 4.5 percent.

"Foreign investors aren't confident about the stability of the yuan," said Xu Ling, a trader at Shenyin & Wanguo Securities Co.

China has pledged not to devalue the yuan, but many economists say a devaluation is inevitable if the yuan continues to weaken. That would probably touch off another round of currency devaluations in Asia and threaten the Hong Kong dollar's peg to the U.S. dollar.

Peter Everington, investment director at Regent Pacific Group Ltd., said that the Hong Kong dollar peg and the yuan would break. "I think it's a toss of the coin which goes first."

China's currency is vulnerable because the economy is already starting to slow.

Prime Minister Zhu Rongji conceded over the weekend that China was suffering from deflation at levels that could make it impossible to achieve the government's target of 8 percent growth in gross domestic product this year.

First-half growth was just 7 percent, and analysts in Hong Kong said that China's worst flooding in four decades threatens to cut another 0.5 percentage points off of third-quarter growth. Chinese companies were already reporting slowing profit growth after retail prices fell 2.1 percent in the first half.

The market has not stabilized yet — the main reason being that mid-year results are not all out yet," an analyst at Nikkei Securities said.

"The market will only rebound after the risk from mid-year reports has been removed."

But a yuan devaluation would make it difficult for companies to improve profits, since it would drive up borrowing costs for many companies that generate revenue in the Chinese currency.

Talk of a Chinese devaluation continued to sweep through Shanghai's black market on Tuesday, (AFP, Bloomberg)



Hong Kong bargain-hunters busy Tuesday at one of 23 shops to be closed in the territory by Theme International Holdings.

## Hong Kong Official Says Not All Is Bleak

Compiled by Our Staff From Dispatches

HONG KONG — A day after announcing that output had contracted terribly, a government official said that economic fundamentals remained sound.

Alan Lai, director-general of trade, said Tuesday that Hong Kong business executives "are still able to deliver, and we still maintain a smooth operation in respect of our manufacturing activities."

"We have a lot of factories across the border, and because of the stability in the region, we are able to accept orders," Mr. Lai told government-run radio.

"We are able to maintain a certain edge" compared to other producers in the region, which have to pay higher prices for raw materials, he said. He added "they don't have the sort of political stability that we enjoy here."

The government announced on Monday that the gross domestic product had contracted by 2.2 per-

cent in real terms in the first quarter.

The government also warned that the GDP figure for the second quarter would be "somewhat worse."

Sales of apartments fell by 31.3 percent in July from June, according to the government Land Registry.

A total of 6,280 apartments, with a combined value of 18.1 billion Hong Kong dollars (\$2.34 billion), changed hands last month.

The property market has been depressed for a year. Sales were down in July by 27.7 percent from a year earlier.

Hong Kong property developers started to cut prices to meet in May. Apartment prices have fallen by about 45 percent since the record highs of one year ago.

Unemployment is at a 15-year high, at 4.5 percent. It is expected to get worse. New layoffs are announced daily. (AP, Bloomberg)

## Seoul Earmarks State-Owned Firms to Be Sold

Compiled by Our Staff From Dispatches

SEOUL — South Korea on Tuesday unveiled a list of 40 subsidiaries of 19 state-owned firms, including the giant Korea Telecom Corp., that are earmarked for privatization by 2002 and promised a "rapid demopolitization."

The list, presented by the Planning and Budget Commission to the cabinet, was part of a second round of reforms aimed at restructuring

and downsizing unwieldy public entities.

"To this end, the state-owned parent enterprises are to be required to divest from the subsidiaries engaged in, and sell the assets used for activities unrelated to their respective 'core' business activities," a planning commission official said.

Korea Telecom, which dominates the communications market, will lose 13 of its subsidiaries, the com-

mission said, adding that the power monopoly Korea Electric Power Corp. would see seven units privatized by 2002.

Other targeted state-owned enterprises with subsidiaries include Korea Land Corp., Korea National Housing Corp., Korea Petroleum Development Corp., Agricultural and Fishery Marketing Corp., and Korea Tobacco and Ginseng Corp.

The restructuring program, which

includes the firing of one-fifth of the employees at the companies, provoked a warning from Korea's second-biggest labor union.

"The government is demanding workers make the entire sacrifice, scrapping its earlier promise it would come up with a plan through negotiations with us," said Cheong Sung Hee, a spokesman for the Korean Confederation of Trade Unions, which represents 530,000 workers at 1,000 work sites.

"We will protest the move in various ways unless the government scraps it," he said.

On Monday, to show its dissatisfaction, the labor union boycotted the meeting of a tripartite commission that is made up of the government, labor unions and companies as they failed to reach an agreement on ways to revamp state-owned companies.

The Korean government said last month that it would start selling \$10 billion of shares in Pohang Iron & Steel Co. and 10 other state-owned companies beginning in June to repay debt and revitalize a shrinking economy.

Korea Telecom plans to restructure and will sell or contract out satellite communications and telegraph services. (AFP, Bloomberg)

## Malaysia to Inject Capital Into Its Banks

Compiled by Our Staff From Dispatches

KUALA LUMPUR — The central bank of Malaysia on Tuesday unveiled plans to recapitalize its weakening banking system, warning of an increase in bad loans amid the economic downturn.

Malaysia plans to pump 1.5 billion ringgit (\$361 million) into a new bank recapitalization agency, which may buy stakes from shareholders who are not able to keep their banks afloat, the central bank said.

The special company, Danamodal Nasional Bhd., is to begin operations next month.

The move comes as Malaysia tries to overhaul its troubled banking industry, which it says needs as much as 16 billion ringgit in fresh capital as rising bad debts force banks to set aside more funds.

Analysts said banks might need more than that. One research group, PB Worldwide Securities Advisor, estimates that the amount could be as large as 30 billion ringgit.

The central bank said Danamodal's operations would complement an asset management corporation set up last month to help absorb nonperforming loans.

To raise money for its operations, Danamodal will sell stakes in itself to foreign investors.

Nonetheless, Prime Minister Mahathir bin Mohamad on Tuesday renewed his attacks on foreigners — particularly currency traders — vowing that Malaysia would not seek outside help for its economic recovery.

Speaking to thousands of people during a one-day visit to the southern state of Johore, he said Malaysia was going through a "second independence struggle." (AFP, Bloomberg)

## COKE: Company's Accounting Doesn't Add Up, Critics Complain

Continued from Page 11

totally without merit," said Laura Asman, spokeswoman for Coca-Cola Enterprises, "and our company's performance for our share owners speaks for itself."

Mr. Meyer and Dwight Owens, a doctoral student at the University of Portsmouth in Britain, have recently written papers criticizing Coca-Cola's accounting.

"One can't transact business with itself," said Mr. Meyer, an investment analyst with Martin Capital Management in Elkhart, Indiana, and a former accounting professor.

To Mr. Meyer and Mr. Owens, the issue of indepen-

dence rests heavily on the composition of the board of directors. They say the board of Coca-Cola Enterprises is controlled by people with strong ties to Coca-Cola.

To Coca-Cola's credit, the makeup of the board has changed recently. Until late last year, Douglas Ivester, then Coca-Cola's president, was chairman of the bottling company. He stepped down after being promoted to chairman and chief executive of Coca-Cola Co.

Neville Isdell, a senior vice president of Coca-Cola, also stepped down, in February.

But the board still includes two former senior Coca-Cola executives and Joseph Glad-

den Jr., Coca-Cola's general counsel.

In addition, there are others with a large financial stake in Coca-Cola: Howard Buffett, the son of Warren Buffett and a director of Berkshire Hathaway Inc., Coca-Cola's largest stockholder, and two directors of Sun Trust Banks, Coca-Cola's second-largest stockholder. That accounts for six of the board's 13 members.

Mr. Meyer and Mr. Owens suggest that Coca-Cola exerts so much influence that Coca-Cola Enterprises may be overpaying it for bottling factories and a myriad of other goods and services. Coca-Cola's stunning returns, compared with far weaker profits at Coca-Cola Enterprises, are evidence that Coca-Cola

could be charging too much, they say.

Other stock market analysts and accountants have questioned Coca-Cola's accounting after examining its transactions with the bottling company.

"The open secret on Wall Street, it seems, is that Enterprises and Coke are one and the same company, accounting principles to the contrary notwithstanding," wrote James Grant, the editor of Grant's Interest Rate Observer, in a 1996 article.

In essence, the bottling giant is a kind of receptacle for the everyday business detritus that would otherwise mar the parent's nearly perfect financial profile."

## CAVE: U.S. Buries Millions of Files — and Clerks to Process Them

Continued from Page 11

The biggest complaint is shabby air. Fans bigger than Cadillac cars drag 60,000 cubic feet (1,700 cubic meters) of air into the cave each minute. The temperature is kept at about 72 degrees Fahrenheit (22 degrees Centigrade).

It used to be regulated just by the flow of air through the fans and vents. But cooling off such a gigantic space by the force of wind alone became unwieldy.

"It got to be, when you wanted to adjust the temper-

ature you felt like you were in a wind tunnel," said Dave Shively, the chief of operations. So air conditioning was installed.

The other main gripe is being in the dark about what employees here call "what it's doing outside."

Very few people venture outside during the day. The only destinations reachable in the mandated half-hour lunch break are a gas station mini-market, a couple of churches and a taxidermist, so a local delicatessen brings in trays of food. Hence the curiosity about "what it's doing."

Weather reports come in by phone — and are subject to distortion as they make the rounds.

"Sometimes an employee's spouse calls and says, 'It's snowing outside,'" said Kathy Dillman of the Federal Investigations Service, "and by the time the news winds its way around you've got a full-fledged blizzard."

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## REPUBLIC OF LEBANON MINISTRY OF PUBLIC HEALTH COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION INVITATION TO BID

- The Lebanese Government has received a loan (No. 3829-LEB) from the International Bank for Reconstruction and Development (IBRD) for the Rehabilitation of the Health Sector in Lebanon (Contract No. 2420). It is intended that part of the proceeds of this loan be applied to eligible payments under the contract for the procurement of Medical Equipment and Instruments for the Ministry of Public Health.
- The Council for Development and Reconstruction (CDR), on behalf of the Ministry of Public Health (MOH), invites you to submit sealed bids from your company for the supply of Medical Equipment and Instruments for Public Hospitals.
- The inspection of bidding documents and further information may be obtained at the following address: The Council for Development and Reconstruction - Talat el Serail - Beirut Central District - Facsimile (961-1) 864494 - 647 947 - Telephone (961-1) 981431 - 2 - Telex No.: 42490 CDR LE - Beirut - Lebanon.
- A complete set of bidding documents may be purchased, as of Thursday August 6, 1998, upon payment of a non-refundable fee of US\$ 200 in the form of a banker's certified check in the name of the CDR.
- Bids must be delivered to the address mentioned above on or later than Monday September 14, 1998 before 12:00 hours local time.
- Bids will be opened in a public session at 12:00 hours local time on Monday September 14, 1998 at the offices of the Council for Development and Reconstruction.

## Rhône-Poulenc reports 29% gain in net earnings in second quarter 1998

"The successful listing of Rhodia on the New York and Paris stock exchanges marked the last step in the transformation of Rhône-Poulenc, as announced in June 1997. Today we can focus on maximising the potential of our new products and improving profitability - the growth in earnings during the first half is in line with this strategy. Our objective continues to be a 20% increase in earnings per share over the full year, although this remains an ambitious goal."

Jean-René Fournou  
Chairman & Chief Executive Officer

### Consolidated accounts second quarter 1998

Sales: FF22.3 billion (+2.8%)

Net income: FF2.6 billion

Excluding non-recurring items:

• Net income: FF1.2 billion (+29%)

• Earnings per share: FF3.28 (+16%)

• Earnings per share

before goodwill amortization:

FF4.26 (+17%)

This increase in earnings confirms the growth recorded in the first quarter 1998. Overall, for the first half of the year, net income (excluding non-recurring items) increased 29%, to FF2 billion. Earnings per share amounted to FF5.7 (FF7.6 before goodwill amortization). For the first half of the year, consolidated net sales rose 7% to FF44.3 billion.

### Pharma Sector

Rhône-Poulenc Rorer,

Pasteur Merieux Connaught, Centon

Consolidated net sales:

FF8.4 billion (+6.2%)

Earnings from operations:

FF1.2 billion (+33.1%)

• Growth in demand remains strong for strategic products such as the multi-cancer agent, Taxotere, the low-molecular-weight heparin, Lovenox, the anti-allergy medication, Nasacort, and vaccines. In the respiratory business, a strengthened sales promotional campaign has curbed the erosion in market share.

• However, sales growth in a number of products has been impacted during the second quarter by some destocking at wholesale level in the U.S.

Rhône-Poulenc  
is a leading  
life sciences company,  
growing through  
innovations  
in human,  
plant and animal  
health



and through  
its specialty  
chemicals subsidiary,  
Rhodia.

The growth in earnings from operations is due to an improvement in product mix and the first positive effect from Centon's recovery.

### Plant & Animal Health Sector

Rhône-Poulenc Agro,  
Rhône-Poulenc Jerdin,  
Rhône-Poulenc Animal Nutrition, Meril

Consolidated net sales:

FF4.4 billion (+1.7%)

Earnings from operations:

FF1.0 billion (+13.8%)

• The growth in new product sales, like the insecticide Regent, and the external antiparasitic Frontline, partly compensated for some unfavorable events (the economic situation in Asia, bad weather in the United States, disruptions of supplies from Temik distributors, etc.) which affected sales performance.

• As part of its development strategy in plant biotechnology, Rhône-Poulenc Agro signed a partnership agreement with the American company Mycogen. This agreement aims to develop and market genetically modified plants and seed products, cotton and sugarcane being the first markets.

### Rhodia

Consolidated net sales:

FF10 billion (+1.7%)

Earnings from operations:

FF856 million (+44.4%)

• The continued refocusing of the portfolio on specialty chemicals and productivity measures contributed to the significant improvement in Rhodia's earnings.

• Rhodia benefited from good growth in most of its markets, in particular the Polyamide and Services & Specialties Division.

• For the full financial year, Rhodia's earnings should be in line with expected profitability objectives.

(1) In a consolidated basis.  
(2) Capital gains realized in Rhône-Poulenc and restructuring provisions in the Pharma sector.  
(3) Operating income before goodwill amortization.  
(4) Earnings of affiliated companies.

Investor relations:

+33 1 47 08 02 05

Internet: www.rhone-poulenc.com

**RHÔNE-POULENC**



هذه امانة الاله

**The Associated Press**

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## (Continued)

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## WORLD ROUNDUP

French Policeman  
Awakes from Coma

**SOCCER** A French policeman has awoken from a coma, six weeks after he was attacked by German hooligans during the World Cup, hospital officials said Tuesday.

Daniel Nivel, 44, regained consciousness on Monday and was taken off a respirator.

"Daniel Nivel suffers serious problems concerning understanding and speech and will need extensive rehabilitation," Little Hospital said in a statement.

Nivel was attacked by German fans after a June 21 match between Germany and Yugoslavia in Lens. He was hit with an iron bar.

Dutch police said they expect to be overextended during the 2000 European championship and their union called on Tuesday for the three-week tournament to be shortened by a week. (Reuters)

## Temporary Job for Olsen

**SOCCER** Egil Olsen, Norway's World Cup coach, agreed Tuesday to take a temporary job as manager of Valerenga of Oslo, a club that is struggling near the foot of the Norwegian elite division.

Luc Nilis, a striker on the Belgian World Cup team, said Tuesday that he no longer wishes to play for the national team.

Colin Hendry, the Scottish center half, moved to Glasgow Rangers from the English club Blackburn Rovers. Rangers paid £4 million (\$6.5 million). (APF)

## Irate Arazi Disqualified

**TENNIS** Hicham Arazi was thrown out of the Grolsch Open in Amsterdam on Tuesday at 7-6 (11-9), 1-5 in a first round match against Magnus Norman. Arazi was warned twice for throwing his racket as he grew angry with himself for making errors. When he started hitting the ball wildly out of bounds in an apparent attempt to throw the second set, he received a third warning and was disqualified. (AP)

## Texas Tech Is Punished

Texas Tech lost additional scholarships Tuesday and received an extra year of probation because of rampant violations of NCAA rules. The football, basketball and men's and women's basketball teams will lose scholarships. Tech has admitted allowed 81 athletes to compete while academically ineligible from 1991-97. The punishments were in addition to those the school had imposed on itself. (AP)

Spain Downs  
Lithuania in  
Basketball

**ATHENS** — Spain beat Lithuania, 85-80, in overtime Tuesday on the last day of second-round play in the World Basketball Championship. Spain improved its record to 5-1 and ensured it will have a high seeding in Friday's quarterfinals. Lithuania fell to 4-2.

Spain, the surprise team, has achieved little since it took silver in the 1984 Olympics in Barcelona.

Forward Alberto Herreros, the leading scorer in the tournament, had 27 points. Arturas Karnisovas, playing with a bandaged head after a collision with a Spanish player, scored 20 for Lithuania.

Spain, which was on top for most of the game, could have won in regulation but Herreros missed an outside shot in the final seconds and Carlos Jimenez missed a tip-in at the gun.

Russia — billed as the favorite with Yugoslavia to win the title Sunday — beat Canada, 81-72, to improve its record to 5-1. Vassily Karashev scored 21 points, Sergei Babkov and Sergei Panov each scored 14 for Russia. Canada (1-5) got 14 points and 11 rebounds from Greg Newton.

Spain, Russia, Greece, Yugoslavia, the United States and Lithuania had all

European Hijackers  
Have a Thick Wallet

## SuperLeague Would Ruin Competitive Spirit

By Roh Hughes  
International Herald Tribune

LONDON — Drugs are not the only, nor the primary, danger to sports. Money is.

As cyclists peddled their inglorious route up the Champs-Elysees where soccer was king three weeks earlier, a group of collaborators — lawyers and soccer club owners, bankers, television entrepreneurs and yet more lawyers — met in London. Their mission? To hijack European soccer.

A supposedly secret European SuperLeague gathers pace. Its godfather is

## WORLD SOCCER

Silvio Berlusconi, the former Italian prime minister who has more lasting holds on AC Milan and satellite television. The idea is to form a breakaway league among wealthy clubs that would play midweek matches for the greater benefit of themselves and the greater profits of the SuperLeague backers.

It has two enticing attractions for the founder members: A larger proportion of the television and advertising revenue they generate, without the burden that UEFA, the governing body of European soccer, currently imposes by distributing some profits to smaller clubs and national associations. The other attraction is a guarantee of permanent membership, without the tedious business of having to merit inclusion by qualifying year after year.

The idea has two damning drawbacks: If private investors, as well as elite clubs, reap the dividends, then the pyramid that sustains soccer, from the bottom up, will perish. And if permanence is allowed, the competitive essence of sport is destroyed. The new league would, in the words of Keith Wiseman, chairman of the English Football Association, reduce top European soccer to exhibition status. "It's Harlem Globetrotter stuff," Wiseman said. "If you don't have promotion and relegation on merit, it will fade away."

Wiseman's comment puts a finger on the genesis of Berlusconi politics. The Italian, whose famous team finished 10th in Serie A this year and thus has its nose outside the window of UEFA Champions League earnings, is enamored with the American franchise system. There, indeed, it is possible to lose on the field and win at the bank, to own the business rights to a permanent place in the league.

The English Football Association has warned its big clubs — Manchester United and Arsenal have sat at the SuperLeague table, and Liverpool has been implicated — that they cannot have

riches both ways. Either they stay within the established UEFA competitive structure or they will be expelled from the FA Premiership, their seasonal source of millions. No one is certain this edict would survive a restraint-of-trade challenge in the European courts — and many observers expect such a challenge from the covert Berlusconi conglomerate.

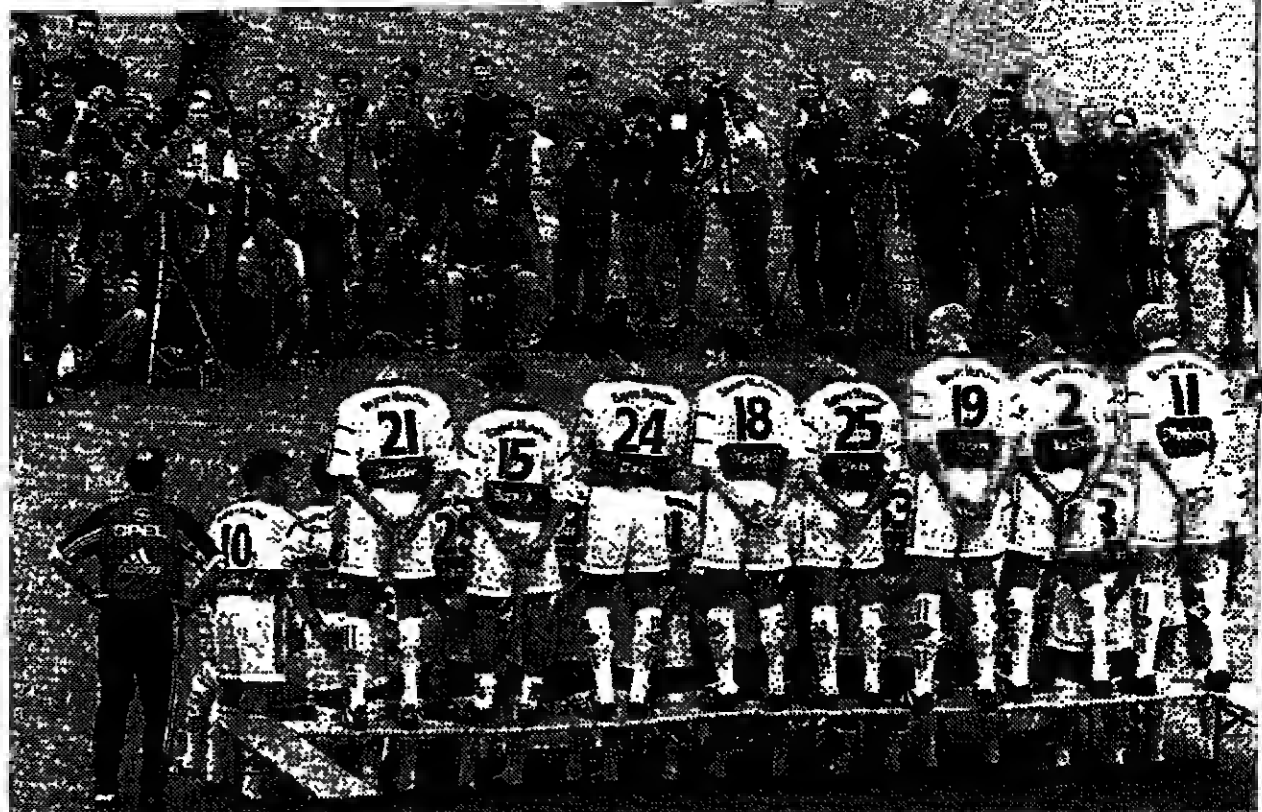
In any case, I strongly suspect Manchester United, for example, is bluffing. The team has so much to lose on the domestic front — full 55,000 houses whenever and wherever they play at Old Trafford in the tribal traditions of English league soccer. That, and the sky-high income from Sky Television, the British satellite arm of Rupert Murdoch's media empire, nets United upward of £2 million (\$3.2 million) a match, and the club's envied global appeal claws in merchandising and endorsements that make Manchester United the market leader in turning the round hall to profit.

Why does United go on meeting a chap as down on his luck as Berlusconi? First of all, neither party admits to meeting. They claim no knowledge of nighttime talks the London offices of the legal firm Slaughter and May, the involvement of Media Partners with its business relationships to Berlusconi, the Wall Street bank J.P. Morgan, and the attendance of leading European clubs.

They say they know nothing about any £2 billion backing, any \$100 million first prize (compared to \$14 million for the victor in the Champions League). They scoff at the names, curiously Italian names, apparently already installed in positions to run the league. Rodolfo Hecht Luciani, a Berlusconi man, is rumored to be chief executive-designate, with Andrea Locatelli as competition director and Paolo Taveggia, who once traveled the United States assessing the sporting scene, as a member of the board.

The names of television moguls who shape the world of sports are whispers in the corridors. The names of Spain's two leading clubs, Real Madrid and Barcelona, have been firmly penciled in as being against the new league; Juventus, Bayern Munich and Paris St. Germain appear ambivalent, but Ajax Amsterdam, Panathinaikos of Athens, Galatasaray of Istanbul and Benfica of Lisbon are keen to help pioneer the SuperLeague.

This is not surprising. Ajax and Benfica have fine, pedigree pasts in the European Cup, but their domestic leagues are uninteresting compared to vibrant, lucrative competitions that exist in Spain, Germany and England. The Dutch and Portuguese teams have more reason than most to fear missing the new boat of a Europe elite, if it ever sails.



EVERYBODY SAY CHEESE — Players from the first-division soccer club Bayern Munich posing for photographers during the official team presentation on Tuesday. League play begins Aug. 15 in Germany.

What game, then, are Manchester United and Arsenal playing? Double bluff. They deny being at the table, they write letters of assurance to the Premier League in England swearing they will not join up without consulting their fellow English clubs. But they implicitly reinforce the message to UEFA that, when the Champions League contract is renewed in 2000, the big clubs want a greater percentage of and a greater say in improving or enlarging the format.

The clubs are, in effect, squeezing UEFA and using the SuperLeague argument to do it.

"That is most probably the case," admits Gerd Aigner, general secretary of UEFA. "They have never got enough money, even if at the same time they spend 50 million Swiss francs for one player. I think the clubs are being incoherent, but we will not allow football to be torn apart into different fragments."

So? So there will be compromise. UEFA, obliged to operate between the tensions of clubs, leagues and national associations, has been in a weakened position since the European Commission outlawed the suggestion that sport was a special case and not subject to common law.

"We will talk to the clubs, to the leagues and the national associations," says Aigner. "No doubt we will be able to make our competitions more attractive, maybe more lucrative. All things are possible except that we will not allow anyone permanent entry. Sport loses its credibility without two things — national identity and qualification on merit."

The collaborators of Berlusconi could always take up cycling.

Rob Hughes is the chief sports writer of The Times of London.

## U.S. Soccer May Give Serb Another Chance

New York Times Service

Bora Milutinovic, the colorful Serb who has coached four countries to the second round of the World Cup, including the United States in 1994, appears to be the front-runner to coach the American team again.

Alan Rothenberg, the outgoing president of the U.S. Soccer Federation and the man who fired Milutinovic after the 1994 World Cup, said there were four candidates to replace Steve Sampson, who resigned last month after the American team finished last in the World Cup.

But Rothenberg seemed clearly to favor Milutinovic over Carlos Alberto Parreira of Brazil, Carlos Queiroz of Portugal (who became coach of the United Arab Emirates last week) and Bruce Arena of D.C. United, an Amer-

ican Major League Soccer team.

"The public expects results, and Bora is a master strategist and technician," Rothenberg said. "We need a coach to do the best with what we have. We need to get maximum results in qualifying for the World Cup in 2002, and Bora has a proven record of accomplishing a lot with less talent."

Arena, the only American candidate, has had some support from people around Rothenberg, but he is apparently last on Rothenberg's list. Implying a preference for the cosmopolitan and multilingual Milutinovic over Parreira and Queiroz, both of whom he has interviewed, Rothenberg said: "We need someone who knows the country and the language, someone who has been there."

## Incentive for American Clubs

The world club championship planned by FIFA, the governing body of world soccer, adds incentive for the clubs competing in the North American club tournament in Washington next week.

The winner of the annual CONCACAF Champions' Cup — a 36-year-old event consisting of the top teams from the United States, Central America and the Caribbean — will be considered for a berth in the proposed semiannual world club championship, Chuck Blazer, the general secretary of the regional federation, said Monday.

FIFA is expected to approve the world club competition next month, and one of the eight berths is almost sure to go to CONCACAF.

## Spanish Shun Women's Tour de France

The Associated Press

MADRID — Spanish riders have pulled out of the women's Tour de France to protest the doping investigations that marked the men's race.

"We take this measure because of the poor treatment received by Spanish cyclists and teams in the Tour de France," the Spanish Cycling Federation said. "It's a test of solidarity for fear that the same incidents will occur in other races and will only contribute to damaging the image of cycling."

All four Spanish teams — Banesto,

ONCE, Kelme and Vitalicio — dropped out of the men's Tour de France to protest alleged harassment by French police who were investigating the use of banned drugs.

The women's race starts Aug. 11 and lasts for 10 days.

On Monday, officials of the ONCE team said they were studying legal action against Tour organizers.

"We can't just leave things like this," said the ONCE chairman, Jose Maria Arroyo. "We are studying taking action against the organizers, against

those who have condemned us without evidence, against those who have attacked cyclists."

"We will go to any court or international organization necessary to defend our rights, which have been trampled on," he added.

The ONCE team also announced it was pulling out of three races in France later this year: the Tour of Limousin, the Paris-Tours race and the Tour de l'Avenir.

"We are not going to participate in these three events in France because of what happened on the Tour," said a team official.

"Our riders are simply not ready to race again so soon after what they have been through," he said.

Nicolas Tarrados, the ONCE team doctor, who was charged by a French judge Friday with inciting and facilitating the use of banned drugs, told reporters: "I've never used anything against the health of my sportsmen. This has always been the way in my career."

"I would not have spent so much time abroad investigating to end up using drugs," Tarrados said.

"What they found in my bag and on the bus is what one would expect to find in a doctor's bag."

Tarrados, who had been ordered by the French judge not to have any contacts with ONCE, spoke at a separate press conference from Arroyo.

## Dispute on Drug-Test Remarks

The Associated Press

The International Tennis Federation has told Primo Nebiolo, head of the international governing body of track and field, that he did not know what he was talking about when he spoke of drug testing in tennis.

"I must ask you to desist from making these uninformed and groundless ad-hoc statements about the federation's activities and the game of tennis generally, and I require the courtesy of an acknowledgment of this request," Brian Tjebke of the tennis federation said in a letter published Tuesday.

In a statement released last week during drug scandals at the Tour de France, Nebiolo cited tennis, volleyball and cycling as sports that had

refused to sign an Olympic accord for harmonizing anti-drug programs.

Tjebke said the federation carries out more than 1,000 tests a year in an anti-drug program approved by the International Olympic Committee.

Last week, Ruben Acosta, president of the international governing body of volleyball, accused Nebiolo of making "totally false" comments about drug testing in volleyball and said Nebiolo should concentrate on fighting "systematic doping" in track and field.

Separately, the Greek national record-holder in the women's shot put, Eleni Tsoufomelidou, tested positive for steroids and will miss the European Championships in Budapest, Greek newspapers reported.

## SCOREBOARD

## BASEBALL

## MAJOR LEAGUE STANDINGS

TEAM	W	L	Pct.	GB
AL EAST				
New York	78	28	.736	
Boston	68	38	.643	10
Baltimore	56	50	.528	22
Toronto	54	52	.510	24
Detroit	42	64	.396	36
AL WEST				
Cleveland	62	39	.613	
Minnesota	51	50	.505	11
Kansas City	49	61	.445	22
Chicago	46	62	.428	25
Seattle	44	63	.412	27
NATIONAL LEAGUE				
AL EAST				
Atlanta	74	28	.726	
New York	58	51	.531	16
Philadelphia	55	58	.488	23
Houston	44	68	.393	34
Florida	40	72	.357	38
AL WEST				
Texas	59	52	.532	
Los Angeles	50	61	.450	9
Oakland	50	61	.450	9
Seattle	50	61	.450	9
NATIONAL LEAGUE				
AL EAST				
Atlanta	74	28	.726	
New York	58	51	.531	16
Philadelphia	55	58	.488	23
Houston	44	68	.393	34
Florida	40	72	.357	38
AL WEST				
Texas	59	52	.532	
Los Angeles	50	61	.450	9
Oakland	50	61	.450	9
Seattle	50	61	.450	9

## TENNIS

## ATP WORLD RANKINGS

PLAYER	POINTS
1. Pete Sampras, United States, 3,252	
2. Andre Agassi, United States, 2,209	
3. Boris Becker, Germany, 1,633	
4. Michael Chang, Taiwan, 1,462	
5. Andrei Medvedev, Russia, 1,462	
6. Yevgeny Kafelnikov, Russia, 1,462	
7. Andrei Korotjuk, Russia, 1,462	
8. Andrei Panatta, Italy, 1,462	
9. Andrei Olshanskiy, Russia, 1,462	
10. Andrei Olshanskiy, Russia, 1,462	

## BASKETBALL

## WORLD CHAMPIONSHIP

TEAM	W	L	Pct.	GB
USA	10	0	1.000	
Spain	8	2	.800	2
Yugoslavia	7	3	.700	3
France	6	4	.600	4
Italy	5	5	.500	5
China	4	6	.400	6
South Korea	3	7	.300	7
Japan	2	8	.200	8
Philippines	1	9	.100	9
Iran	0	10	.000	10

## JAPANESE LEAGUES

## CENTRAL LEAGUE

TEAM	W	L	Pct.	GB
Yokohama	49	20	.707	
Chiba	46	23	.667	3
Yamaguchi	45	24	.652	4
Yokohama	44	25	.636	5
Hiroshima	43	26	.621	6
Hokkaido	42	27	.607	7
Nagoya	41	28	.593	8
Saitama	40	29	.578	9
Osaka	39	30	.563	10
San Francisco	38	31	.549	11

## TENNIS

## ATP WORLD RANKINGS

PLAYER	POINTS
1. Pete Sampras, United States, 3,252	
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7. Andrei Korotjuk, Russia, 1,462	
8. Andrei Panatta, Italy, 1,462	
9. Andrei Olshanskiy, Russia, 1,462	
10. Andrei Olshanskiy, Russia, 1,462	

## TRANSITIONS

## BASEBALL

TEAM	W	L	Pct.	GB
AL EAST				
New York	78	28	.736	
Boston	68	38	.643	10
Baltimore	56	50	.528	22
Toronto	54	52	.510	24
DETROIT	42	64	.396	36
AL WEST				
Cleveland	62	39	.613	
Minnesota	51	50	.505	11
Kansas City	49	61	.445	22
Chicago	46	62	.428	25
Seattle	44	63	.412	27







## OBSERVER

## Devil on My Shoulder

By Russell Baker

NEW YORK — We truly live in wonderful times, but now and then when Old Devil Skeptic jumps on my back, he starts me asking myself questions. Here are several I asked just this morning.

1. Scientists who work with genes have just cloned some mice. It was big news, but can somebody tell me: Why does the world need more mice?

Aren't there already enough mice for everybody?

Are so many people complaining of mice shortages that we have to clone them? Can't we curb the childish exuberance of the world's cloners? Don't mislead me. Cloning is a wonderful, wonderful thing, but where will we end up when the cloners clone what they're absolutely dying to clone just to show they can do it; to wit, people?

Why make rush-hour traffic worse just because you've got the know-how? That's just showing off, isn't it? Instead of gluing the landscape with more mice and people, why don't biologists clone creatures facing extinction?

Frogs and toads, for instance, are dying en masse of a mysterious worldwide affliction. You cloners ought to be making frogs and toads, not mice. Shouldn't you?

2. I am watching the already famous opening of "Saving Private Ryan" with its nasty pictures of what D-Day on Omaha Beach was probably like for the men who were there, and I am being very glad I was not among them.

Long ago I saw Robert Mitchum, John Wayne and Henry Fonda take that very same beach in "The Longest

Day," and left the theater full of envy. How great if I could have been there that day with those manly stars. So calm, so indestructible, such great jaw lines.

As I watch, Spielberg's horrific D-Day is making hash of the secret hero within me. Why would anyone but an utter, complete, absolute, asinine fool regret having missed out on such reeking slaughter?

Why are women of our wonderful times demanding assignment to combat duty? Can they truly believe that submitting to this kind of hutchery is essential to free woman of her ancient oppressors? How does it promote sisterhood to step off a landing craft into a wall of machine-gun fire?

Has the remote-control weaponry of our wonderful times deluded young people most fatally? Did anybody who watched the Gulf War on television see anybody bleeding?

Is it possible that in combat nobody has to be blown into widely separate parts anymore? Is it true, as Pentagon censorship suggested in the Gulf War, that combat is a telegraphically fetching series of electronic encounters between bloodless machines? No more disemboweled bodies on squalid battlefields?

Is somebody kidding us? Isn't somebody always?

3. Remember what President Roosevelt told the generation that fought the "Private Ryan" war? "This generation has a rendezvous with destiny," he said.

What does our present generation have a rendezvous with? Linda Tripp? Monica Lewinsky? The Powerball lottery?

Why make rush-hour traffic worse just because you've got the know-how? That's just showing off, isn't it? Instead of gluing the landscape with more mice and people, why don't biologists clone creatures facing extinction?

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New York Times Service

## When the Character Calls, Minnie Driver Listens

By Laura Winters

NEW YORK — Minnie Driver is equally at home telling an off-color joke or spelling Aeschylus correctly on a crossword puzzle, as she did recently in a rare moment of repose at a midtown Manhattan hotel. The British actress, 27, who has made a career for herself in the United States in hit movies like "Big Night," "Grosse Pointe Blank" and "Good Will Hunting," displays a dizzying array of attributes: She is intellectual and earthy, statuesque and spirited.

Perched on a chair with her legs tucked under her, she looks very much the rising star, with high-heeled lizard-print sandals on her feet and with her unruly ringlets pinned up in a smooth twist. But her frank personality penetrates any pose, whether it be through her irrepressible laugh, which invites complicity, or her sudden seriousness when she talks about the professional and personal tumult of the last few months.

Driver's new film, "The Governess," has opened in the United States, but she is still best known these days as Skylar, the Harvard undergraduate from Britain who falls in love with the unlikely math genius played by Matt Damon in "Good Will Hunting." That performance gained her a nomination for the best-supporting-actress Oscar this year.

Since her Academy Award nomination, Driver's profile has grown beyond that of simply a supporting actress — partly because of the roles coming her way, partly because her off-screen relationship with Damon, and its breakup, made her a popular subject among gossip columnists.

"Minnie has the potential to be both a character actress and a leading lady," said Barry Levinson, who directed her in the 1996 film "Sleepers." "She is very attractive, but she is also very chameleonlike."

Driver certainly has a knack for choosing roles in films that will be successful. How does she pick them?

"I know my emotional repertoire well," she replied in her gravelly voice. "And when I read something that has a resonance in that part of me, I listen. I've never felt that I had to take a role in one of those mediocre but hugely budgeted romantic comedies because I want to wear beautiful dresses and have people think I'm pretty and that I get the guy. I really believe in the characters I play."

"The Governess" is a departure for Driver in that it is a period drama, a British film (her first in several years) and, most important, her largest role since 1995, when she made her feature-film debut in "Circle of Friends."

In the new movie, she plays Rosina Da Silva, a young Jewish woman in 1840 in London whose businessman father is suddenly murdered.

Needing to find a way to support her mother and sister, Rosina hits on the idea of becoming a governess — though to find work she must hide the fact that she is Jewish. Hired by a wealthy family in Scotland, she falls into a passionate affair with the man of the house, Charles Cavendish (Tom Wilkinson), who is a pioneering photographer.

Driver was attracted to the movie, which was filmed last



Minnie Driver: She can spell Aeschylus, too.

summer in England and Scotland, because she felt it avoided the clichés of British costume drama. "I wanted to do a period drama, but I didn't want it to be chocolate-boxy," she said. "And sure enough, along came this twisted tale of spiritual subterfuge and blind eroticism."

Preparing for "The Governess," Driver immersed herself in Judaism, attending synagogue and listening to Sephardic music, and became more familiar with photography, which becomes both Rosina's career and her emotional lifeline. Beyond the specifics of the character's coping with the constraints of 19th-century British society, Driver believes there's a timelessness to Rosina's inner conflicts.

"I'm fascinated by how much we, as women, have to subjugate and hide ourselves in order to get on in the world," she said.

Driver, who is in every scene of the film, shows a sort of kaleidoscopic subtlety in expressing Rosina's tangled emotions. This doesn't surprise the director, Sandra Goldbacher, whose background is in documentary and short films and who is making her feature-film debut with "The Governess."

"Minnie is able to be vulnerable at the same time as being strong," said Goldbacher. "It's a very demanding role because it's almost like she plays five separate people. Rosina has assumed a different identity, but within that she behaves differently with each of the household members."

Driver's versatility as an actress has made her uncategorizable in a broader sense. Although she is part of a new wave of British acting talent, which includes Rufus Sewell, Kate Beckinsale and Rachel Weisz, Driver has up to this point chosen to make her career mainly in the United States, where she has found the most opportunities. "I think I'm viewed as being a bit of a traitor in Britain," she said.

Many people mistakenly think of her as American, because of her ability to master almost any accent.

She is frank about the dearth of worthwhile leading roles for young female stars in Hollywood. "It's wonderful, with 'The Governess,' that it hasn't been about a studio saying, 'O.K., honey, it's your turn now,'" she said. "To strike out and go: 'You know what, I can do this. I feel strong enough and well-versed enough to take this woman on.'"

Driver has recently bought a house in Hollywood and formed a production company, appropriately named Two Drivers, with her sister, Kate. "The British tabloid press have Hollywood painted as a place where they hand you some silicone implants as you go through passport control," she said. "But my life there is so much more low-key than that."

Still, she doesn't intend to be bound or defined by life in the United States. "I've always been pretty nomadic," she said.

Driver is back in Britain making "An Ideal Husband," a film adaptation of the Oscar Wilde play which is being directed by Oliver Parker and also stars Julianne Moore, Rupert Everett and Cate Blanchett. "I get to be frothy and vicious and soufflé-like," Driver said with a smile.

Driver will continue to be guided by her insistence that she feel something profound for the characters she plays.

"The other day," she said, "I turned something down, and they were all screaming at me and saying, 'It's a huge amount of money, this really amazing director, incredible actors, what are you doing?'" she recalled. "And I was saying: 'That isn't the point. I honestly don't think I will be very good in it. Anyone could do this, and that isn't a good reason to do something.'"

She paused for a moment. "You should feel secretly, 'Only I can do this.'"

Laura Winters, who writes frequently about the cultural scene in the United States and abroad, wrote this for The New York Times.

## PEOPLE

**WEARING** a yellow suit, Queen Elizabeth the Queen Mother celebrated her 98th birthday Tuesday by greeting well-wishers who had camped out to join the party. As the Band of Welsh Guards marched past, playing a specially composed Royal Birthday March and then "Happy Birthday," the Queen Mother smiled, waved and acknowledged the 45 handmen as she stood at the gateway of Clarence House, her London residence. Children lined up to present bouquets to Britain's longest-lived royal, who leaned on a cane as she walked to the gate.

The actor Woody Harrelson and his two brothers have attended a Denver hearing in which their father, Charles Harrelson, is trying to win a new trial for the murder-for-hire of a judge in Texas in 1979. After the hearing, Woody Harrelson acknowledged he was paying his father's legal bills, but he declined to discuss the case in detail. "They have just gotten started," he said, "but I'm here to support Dad."

Caught in the Act, one of Europe's most successful groups, will make a farewell tour this month before disbanding after six years together, a spokeswoman said. The two Dutch members, Eloy de Jong and Batsian Ragas, and

Benjamin Boyce and Lee Baxter of Britain will hit the road Saturday and play their final show in Magdeburg, Eastern Germany, on Aug. 16. The group's hits include "You Know," "Do It for Love," and "Baby Come Back."

## Statue of Byron in Athens Gets a Scrubbing

The Associated Press

**A**THERS — Lord Byron is getting a long overdue scrubbing. Restorers are at work washing away the blemishes of age and pollution from the statue of the English poet and 13 other monuments on the walkways outside Zappeion Hall, the 19th-century mansion-turned-public landmark in central Athens.

"They are cleaned by hand. It is a special method. It needs concentration," Katerina Daskalaki, director of the preservation team of Athens's national monuments, said.

This is the first cleaning of the nearly 140-year-old marble statue of Byron, who is depicted dying in the arms of a goddess representing Greece. Scaffolding and cloth coverings now surround the 23-foot (7-meter) statue.

Byron died in 1824 at Missolonghi, where he had taken command of a Greek brigade during the fight for independence from Ottoman rule. Other statues around the Zappeion include those representing the founders of the modern Greek state and ancient athletes. The Zappeion served as the residence for competitors in the first modern Olympiad in 1896.

Johnnie L. Cochran Jr.'s \$10 million libel lawsuit against a New York Post columnist was dismissed by a federal judge who said the writer had a right to express her opinion. Judge Kim Wardlaw ruled that Andrea Peyser's column — in which she wrote that Cochran "will say or do just about anything to win, typically at the expense of the truth" — was protected by the First Amendment. Cochran was one of the team of lawyers who successfully defended O.J. Simpson.

Prince Ernst August of Hannover has been fined 90,000 Deutsche marks (\$51,000) for beating a photographer who was trying to snap pictures of him with Princess Caroline of Monaco, prosecutors said.

A portrait of Alfred Hitchcock, whose profile became as famous as his skill directing such films as "Psycho" and "The Birds," is featured on a 32-cent U.S. postage stamp now on sale.



Harrelson and his wife, Laura Louie, leaving the courthouse in Denver.



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